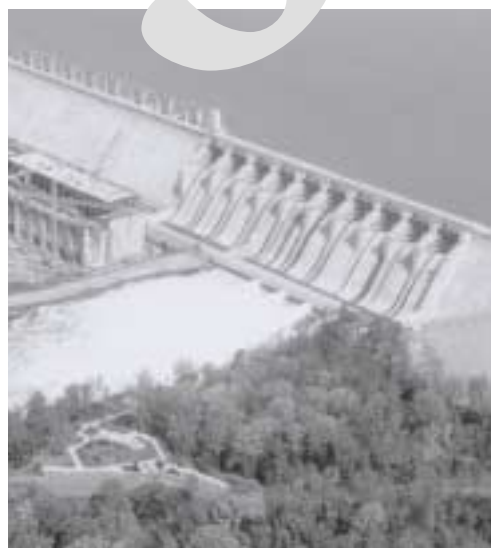


2003 ANNUAL REPORT

Security



Service



Support



SEPA

SouthEastern Power Administration

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fast facts

Administrator: Charles A. Borchardt

Headquarters: 1166 Athens Tech Road
Elberton, GA 30635-6711
Telephone: 706-213-3800
Fax: 706-213-3884
website: <http://www.sepa.doe.gov>

Number of Employees: 42

Service Area: Georgia, Florida, Alabama, Mississippi,
Tennessee, Kentucky, West Virginia, Virginia,
North Carolina, South Carolina, Southern Illinois

Customers:	Electric Cooperatives.....	199
	Public Bodies	293
	Investor-Owned Utilities.....	3
	TOTAL	495

Southeastern's wholesale customers serve more than 13 million consumers

Nameplate Generating Capacity:.....3,412 mw

Financial Data: Total Revenues (2003)\$213 million
(includes Corps of Engineers' revenues)

Total Capital Investment.....\$2 billion

Term of repayment is 50 years from on-line date of each project.

Investment Repaid in 2003 \$40 million

Cumulative Investment Repaid\$677 million

Cumulative Interest Paid on Investment....\$1 billion

Power sales repay an average of 63% of the total cost of each multi-purpose project

Letter to the secretary

Dear Secretary Abraham:

I am proud to submit Southeastern Power Administration's (Southeastern's) fiscal year (FY) 2003 Annual Report. In this report you will find an overview of our agency's activities, programs, and accomplishments during this past year. Although there were numerous delays in receiving financial information for the report's Combined Financial Statements, we feel this information is accurate and complete.

In FY 2003, Southeastern marketed more than 8.9 billion kilowatt-hours of energy to 495 wholesale customers in our 11-state marketing area. This resulted in revenues from the sale of power totaling approximately \$197 million.

Southeastern also continued to adhere to all voluntary guidelines set forth by the North American Electric Reliability Council and the Southeastern Electric Reliability Council. Continuous employee training and software improvements ensure Southeastern's commitment in helping find solutions to our Nation's transmission grid problems.

As part of these solutions, Southeastern continued its participation with transmission owners, power marketers, and preference customers in the Southeast to organize Regional Transmission Organizations (RTOs).

Southeastern continues to make great strides in accomplishing the goals and objectives set forth in the President's Management Agenda. Our Strategic Plan, which incorporates these goals and objectives, demonstrates a strong commitment in fulfilling our obligations as a Federal agency.

We look forward to another challenging year in the utility industry. Southeastern's employees look forward to partnering with its many stakeholders to provide environmentally safe, reliable hydroelectric power to the benefit of more than 13 million consumers in the Southeast.

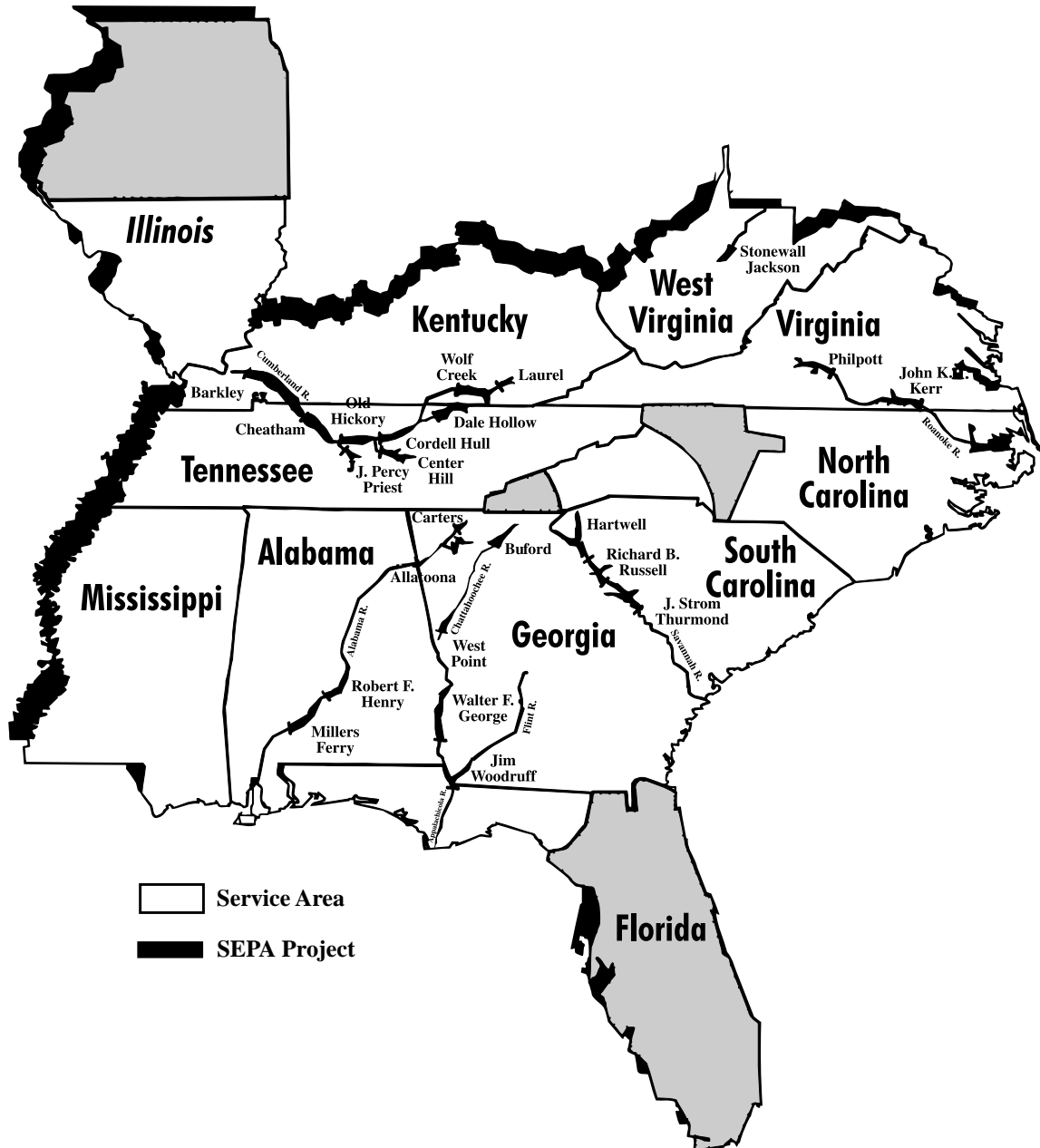


Sincerely,

A handwritten signature in dark ink that reads "Charles A. Borchardt". The signature is written in a cursive, flowing style.

Charles A. Borchardt,
Administrator

marketing area



SEPA
SouthEastern Power Administration

report of activities

Water Compacts

Despite significant efforts on the part of the Alabama, Florida, and Georgia Governors and all the state negotiators during FY 2003, the Apalachicola-Chattahoochee-Flint (ACF) State Compact expired August 31, 2003. The states worked diligently for months trying to develop a mutually beneficial formula which would satisfy both water supply and downstream flow requirements under the full range of river conditions. A plan could not be developed which would accommodate all the requirements of the basin to the satisfaction of each party. The negotiating deadline was not extended.

The states of Alabama and Georgia continued to negotiate an allocation formula during FY 2003 for the Alabama-Coosa-Tallapoosa (ACT) basin. In April 2003, a formula was proposed. The proposed document was posted for public review during May, and stakeholder meetings were held to allow the public an opportunity to provide comments to the states. Toward the end of FY 2003, stakeholder comments were still being reviewed. After this review is completed, the states may modify the proposal or adopt it as the final allocation formula.

Once a final formula is adopted, Southeastern, along with other Federal agencies, will participate in a National Environmental Policy Act (NEPA) review to determine if the document is in compliance with Federal Law. The Federal Commissioner for the ACT Water Compact will base a decision of concurrence or non-concurrence on the allocation criteria. The ACT deadline remains July 31, 2004.

Contract Negotiations

In FY 2003, negotiations between Southeastern and the Southern Company were completed and transmission arrangements were made to allow for the delivery of the Richard B. Russell Project capacity to preference customers in the Southern Company area effective April 2003. Richard B. Russell Project capacity was delivered to members of the Georgia Integrated Transmission System (ITS) beginning in June 2003. All this capacity is presently delivered to preference customers in the Georgia-Alabama-South Carolina System.

In the South Carolina Electric and Gas (SCE&G) service area, the contract between Southeastern and Central Electric Power Cooperative remained pending in FY 2003. After this contract is finalized, all five of these pending contracts in the SCE&G area will be executed and returned to the preference customers. Once executed, the contracts will be amended to allocate a portion of the capacity reserves in the SCE&G area to the preference customers receiving scheduling services from SCE&G. This additional capacity has been delivered since November 2002.

Late in FY 2003, Southeastern and Virginia Electric and Power Company (VEPCO) entered into discussions to amend the contract between the parties to allow Southeastern to schedule Kerr Project energy and to modify the existing transmission arrangement. After final negotiations, amendments will be made to preference customer contracts in the VEPCO service area to allow those preference customers to self-schedule.

report of activities

Power Operations Center

Drought conditions that began during the summer of 1998 were relieved by a return to normal rainfall patterns in FY 2003. All lakes were at or near full pool by mid-March 2003, and reached summer levels by May 2003. Southeastern's Power Operations Center employees shifted focus from a successful strategy of purchasing replacement energy to preserve the capacity resource and operational flexibility of the projects to flood control operations and excess energy declarations. During FY 2003, 27,547 megawatt-hours of replacement energy was purchased at a cost of \$1,525,711 for the Georgia-Alabama-South Carolina System, and a total of 880 megawatt-hours of replacement energy was purchased at a cost of \$ 29,452 for the Kerr-Philpott System. Pumped storage operations at the Richard B. Russell and Caters Projects contributed to meeting customer allocations of power.

RTO Involvement

As a transmission-dependent entity, Southeastern continued its involvement in a series of Regional Transmission Organization (RTO) meetings in FY 2003. Southeastern participated in the SeTrans RTO Stakeholders Advisory Council and took the lead in chairing that organization's Bylaws Committee. SeTrans is comprised of public power transmission owners, transmission customers, investor-owned utilities, and other stakeholders located in the southeastern United States. In a July 2001 order, the Federal Energy Regulatory Commission (FERC) directed utilities to combine transmission systems with independent grid operators - RTOs. Under

this plan, wholesale markets would run uniformly, providing similar rules for all buyers and sellers, regardless of location.

Competitive Resource Strategies

The Competitive Resource Strategies (CRS) program at Southeastern provided a variety of energy-related services to customers in FY 2003. These services included skill building for customer boards of directors, hands-on energy audit training, E-Learning, and presentations on renewable resource options for electric utilities.

Municipal board of directors training covered topics related to governance and policy making for municipal utilities, and Cooperative utility board of directors benefited from energy risk management training. Training for the customer boards was provided by trade group representatives who possess a thorough knowledge of municipal and cooperative utility management issues.

Energy audits provided customers with specific recommendations for reducing their energy consumption and costs, which enabled them to improve their competitive positions. Assistance in other areas such as power quality and lighting improvement helped customers improve productivity, reduce downtime, and minimize waste production.

E-Learning courses, available 24 hours a day via internet, helped member systems reduce training and travel costs, as well as the time an employee is away from the office.

Report of activities

Publicly and cooperatively-owned electric utilities remain in the forefront of providing access to renewable energy. In FY 2003, Southeastern developed a presentation which outlines the environmental issues surrounding renewable resources, the various types of technologies employed to generate and successfully market renewable power.

Technology Advances

During FY 2003, Southeastern continued to focus on technological advances of the agency's telecommunications and computer services. Routers, servers, and personal computers that did not meet the current requirements set forth by the agency were upgraded and/or replaced. Special efforts were made to remove hardware and software from service that were no longer supported by the manufacturer, replacing them with the latest equipment available.

Work began in FY 2003, with a contract anticipated in FY 2004, for infrastructure support software and consulting services. These efforts are critical to Southeastern's interface with other power utilities and the Supervisory Control and Data Acquisition at each hydro-electric project.

Southeastern continues to actively participate in the Power Marketing Administration Information Technology Alliance (PMAITA). The PMAITA is comprised of expert information technology personnel from Bonneville, Southwestern, Western Area, and Southeastern Power Administrations. Working together on

many common issues facing the Power Marketing Administrations (PMAs), the PMAITA responds collectively to inquiries that save time and expedites many computer-related processes common among the PMAs.

Security

Southeastern implemented additional security measures in FY 2003 for the protection of critical assets and infrastructure, with additional measures slated for FY 2004. Employees continued training in the Cyber and Physical Security awareness areas with appropriate security personnel providing random reminders and bulletins regarding issues of concern.

Southeastern's emergency site is tested on a regular basis. This site maintains all current operational files necessary for the agency's possible emergency operations. Additional security measures are also planned for this site next year. The emergency site, which meets all North American and Southeastern Electric Reliability Councils requirements for emergency operations, could become fully operational for all of the agency's functional areas within a few hours if needed.

Southeastern continues to participate in the Cyber Security Peer Review Group, sponsored by the PMAITA. This team, comprised of information technology security experts from each PMA, performs cyber security reviews of each PMA a minimum of once each two years. Southeastern is scheduled for a Cyber Security review in FY 2004.

marketing objectives

Southeastern Power Administration was created in 1950 by the Secretary of the Interior to carry out the functions assigned to the Secretary by the Flood Control Act of 1944. In 1977, Southeastern was transferred to the newly created Department of Energy. Headquartered in Elberton, Georgia, Southeastern markets electric power and energy in the states of West Virginia, Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Tennessee, Kentucky, and southern Illinois, from reservoir projects operated by the U.S. Army Corps of Engineers.

The objectives of Southeastern are to market the electric power and energy generated by the Federal reservoir projects and to encourage widespread use of the power at the lowest possible cost to consumers. Power rates are formulated based on sound financial principles. Preference in the sale of power is given to public bodies and cooperatives, referred to as preference customers. Southeastern does not own transmission lines and must contract with other utilities to provide transmission service for the delivery of Federal power.

The responsibilities of Southeastern include the negotiation, preparation, execution, and administration of contracts for the sale of electric power; the preparation of wholesale rates and repayment studies; the provision, by construction, contract or otherwise, of transmission and related facilities to interconnect reservoir projects and to serve contractual loads; and activities pertaining to the operation of power facilities to ensure and maintain continuity of electric service to customers.

Section 5 of the Flood Control Act of 1944

“Electric power and energy generated at reservoir projects under the control of the Department of the Army not required in the operation of such projects shall be delivered to the Secretary of Energy, who shall transmit and dispose of such power and energy in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles, the rate schedules to become effective upon confirmation and approval by the Secretary of Energy. Rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the projects) of the cost of producing and transmitting such electric energy, including the amortization of the capital investment allocated to power over a reasonable period of years. Preference in the sale of such power and energy shall be given to public bodies and cooperatives. The Secretary of Energy is authorized, from funds to be appropriated by Congress, to construct or acquire, by purchase or other agreement, only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at said projects available in wholesale quantities for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies. All monies received from such sales shall be deposited in the Treasury of the United States as miscellaneous receipts.”

rates and repayments

One of the major responsibilities of Southeastern is to design, formulate, and justify rates. Repayment studies prepared by the agency determine revenue requirements and appropriate rate levels. Repayment studies for each of Southeastern's four power marketing systems are updated annually and demonstrate the adequacy of the rates for each system. Rates are

considered to be adequate when revenues are sufficient to repay all costs associated with power production and transmission costs. Power production and transmission costs include the amortization of Federal investment allocated to power. An outline of the status of repayment is included in the table below.

Status of Repayment as of September 30, 2003 - Table 1

System	Initial Year of Repayment Studies	Cumulative Revenue \$	Cumulative Expenses and Interest \$	Total Investment to be Repaid \$	Investment Repaid to Date \$	Unpaid Balance Of Investment \$
Georgia- Alabama- S. Carolina	1950	2,414	2,110	1,436	304	1,132
Jim Woodruff	1957	135	111	64	24	40
Cumberland	1949	1,034	778	387	256	131
Kerr-Philpott	1953	401	308	100	93	7
TOTAL		3,984	3,307	1,987	677	1,310

(Dollars in Millions)

georgia-alabama-south carolina

The Georgia-Alabama-South Carolina System consists of ten projects located in Georgia, Alabama, and South Carolina. The power generated at these projects is sold to 176 preference entities that serve 204 preference customers and one investor-owned utility in Georgia, Alabama, South Carolina, North Carolina, Mississippi, and Florida.

Generation

Generation for FY 2003 was 103% of the average. Figure A illustrates the percent of average generation by project, and Figure B shows system generation for the years 1993 through 2003.

During FY 2003, drought conditions continued in the Georgia-Alabama-South Carolina System. Southeastern purchased 27,547 megawatt-hours of replacement energy in order to meet contractual obligations and conserve water in the reservoirs.

Financial Performance

Total revenue for the Georgia-Alabama-South Carolina System was \$135.5 million in FY 2003. Of this amount, \$127.8 million was derived from the sale of 3,864,082 megawatt-hours of energy and 2,182.4 megawatts of capacity. Total operating expenses, excluding depreciation, were \$63.6 million, interest charged to Federal investment was \$53.9 million, and repayment of the Federal investments was \$18 million. Figure C shows the revenue by source for this system, and Figure D shows the application of revenues.

Table 2 indicates the allocation of costs by project function for each project in the system, and Table 3 indicates the current rates. Current rates for the Georgia-Alabama-South Carolina System were approved on a final basis by the Federal Energy Regulatory Commission (FERC) on July 15, 2003. In FY 2003, Southeastern proposed new rates to become effective October 1, 2003. These proposed rates were approved on an interim basis by the Deputy Secretary of Energy on September 26, 2003. Final approval by FERC is pending.

Cost Allocation by Project Function as of September 30, 2003 - Table 2

Project	Total \$	Power %	Navigation %	Flood Control %	Fish and Wildlife %	Recreation %	Other %
Allatoona	58,682,449	68.41	—	15.30	—	15.90	0.40 (a)
Buford	88,187,809	77.29	2.29	5.17	—	15.25	—
Carters	154,487,787	84.63	—	8.76	—	6.61	—
J. Strom Thurmond	160,153,213	86.84	2.83	2.60	—	7.73	—
Walter F. George	214,098,563	59.40	36.21	—	0.16	4.22	—
Hartwell	179,119,024	89.28	2.00	2.53	—	6.19	—
Robert F. Henry	101,161,543	64.02	23.39	—	—	12.59	—
Millers Ferry	89,878,007	61.19	33.34	—	—	5.48	—
West Point	157,624,170	41.05	1.65	12.59	10.23	34.48	—
Richard B. Russell	747,986,177	90.48	—	0.61	—	8.92	—
TOTAL-GA/AL/SC	1,951,378,742	78.22	7.37	3.08	0.84	10.46	0.01
(a) water supply							

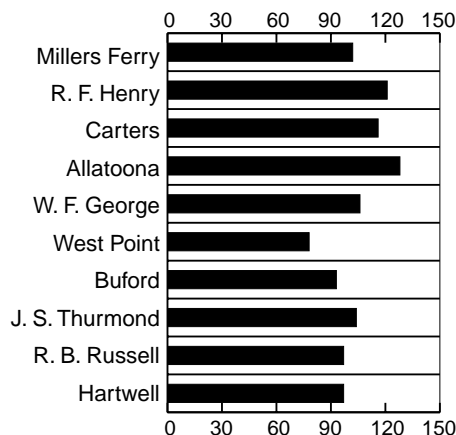
Project Rehabilitation

The rehabilitation work at the J. Strom Thurmond and Walter F. George Projects continued during FY 2003, and work began on the rehabilitation of the Buford project. Planning also continued for the rehabilitation of the Allatoona project.

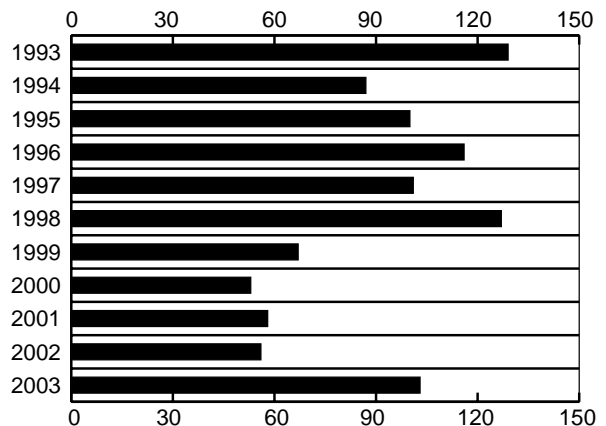
Basic Power Rate Schedule as of September 30, 2003 - Table 3

	Capacity \$/KW/ Month	Energy Mills/ KWh	Trans. \$/KW/ Month	Ancillary & Generation Service
Preference Customers				
Municipal Elec. Auth. of Georgia & City of Dalton	3.09	6.39	—	.26
Oglethorpe Power Corp. Area	3.09	6.39	—	.13
Southern Company	3.09	6.39	2.03	.37
AEC Off System	3.09	6.39	2.03	.24
Alabama Electric Cooperative	3.09	6.39	—	.13
So. Mississippi Electric Power Assoc.	3.09	6.39	1.88	.13
So. Carolina Public Ser. Auth.	3.09	6.39	—	.13
Preference Customers -SCPSA	3.09	6.39	1.40	.13
Duke Power Area	3.09	6.39	.90	.13
So. Carolina Electric & Gas Area	3.09	6.39	1.07	.13

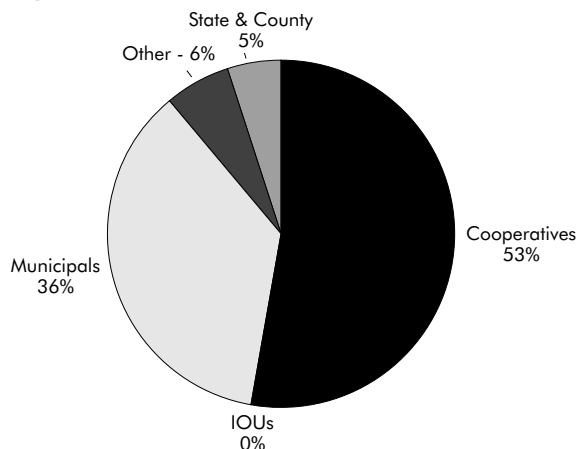
Actual Generation as a Percentage of Average Project Generation - Figure A



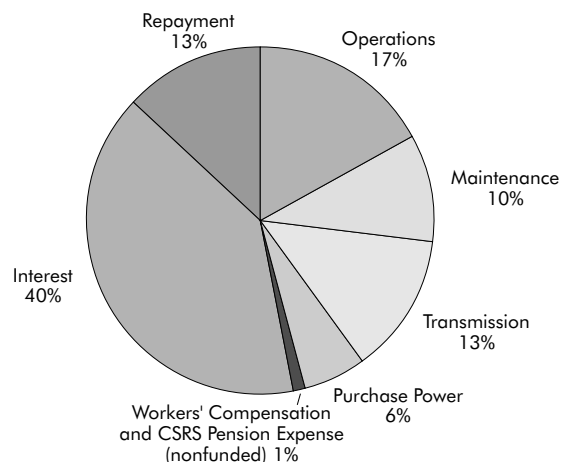
Actual Generation as a Percentage of Average System Generation - Figure B



FY 2003 Revenue by Source Figure C



FY 2003 Application of Revenues Figure D



kerr-philpott

The Kerr-Philpott System consists of two projects – John H. Kerr on the Roanoke River and Philpott on the Smith River. Power generated at the projects is marketed to 76 preference customers in North Carolina and Virginia.

Generation

Generation for FY 2003 was 191% of average. Figure E illustrates the percent of average generation by project for the year. Figure F shows the system generation by year from 1993 through 2003.

Drought conditions continued during the beginning of FY 2003, and as a result, Southeastern Power purchased 880 megawatt-hours of replacement energy to meet contractual obligations and to conserve water in the reservoirs.

Financial Performance

Total revenue for the Kerr-Philpott System

was \$16.1 million in FY 2003. Of this amount, \$15.8 million was derived from the sale of 835,851 megawatt-hours of energy and 196.5 megawatts of capacity. Total operating expenses, excluding depreciation, were \$11.8 million. Interest charged to Federal investment was \$0.3 million and repayment of the Federal investment was \$4 million. Figure G shows the revenue by source for the Kerr-Philpott System, and Figure H shows the application of revenues.

Table 4 indicates the allocation of costs by project function for each project in the system. Table 5 indicates the current rates. Current rates for the Kerr-Philpott System were approved on a final basis by the Federal Energy Regulatory Commission on March 6, 2002.

Rehabilitation

Rehabilitation work began in FY 2003 at the Kerr project.

Cost Allocation by Project Function as of September 30, 2003 - Table 4

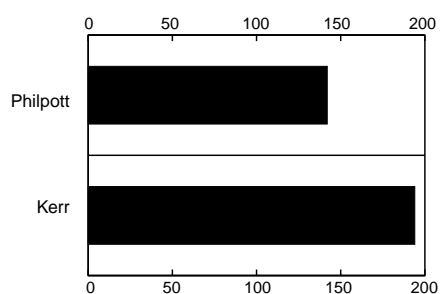
Project	Total \$	Power %	Navigation %	Flood Control %	Fish and Wildlife %	Recreation %	Other %
John H. Kerr	135,418,760	75.36	–	18.24	–	6.13	0.27(a)
Philpott	20,620,338	42.48	–	39.10	–	18.42	–
TOTAL- Kerr-Philpott System	156,039,098	71.02	–	21.00	–	7.75	0.23

(a) water supply

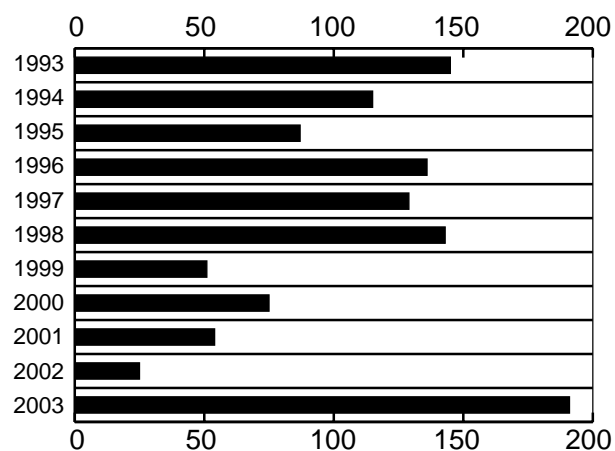
Basic Power Rate Schedule as of September 30, 2003 - Table 5

Preference Customers	Capacity \$/KW/ Month	Energy Mills/ KWh	Trans. \$/KW/ Month	Tandem Trans. \$/KW/ Month
Virginia Power Co. Area	1.96	8.25	1.36	.63
Carolina Power & Light Co. Area	1.96	8.25	1.01	.63

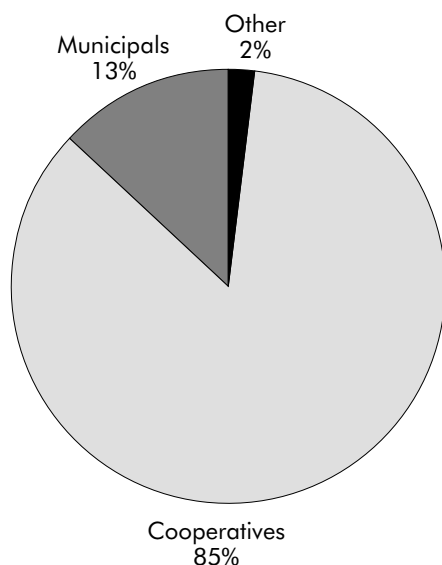
Actual Generation as a Percentage of Average Project Generation - Figure E



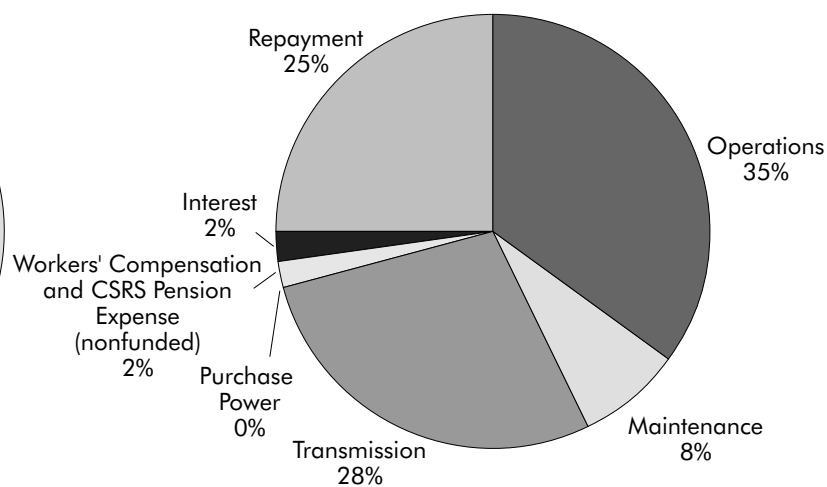
Actual Generation as a Percentage of Average System Generation - Figure F



FY 2003 Revenue by Source Figure G



FY 2003 Application of Revenues Figure H



sepa cumberland

There are ten projects in the Cumberland System located in Tennessee, Kentucky, and West Virginia. The power produced at these projects is delivered to 23 preference entities that serve 216 preference customers and one investor-owned utility in Tennessee, Kentucky, Illinois, Mississippi, North Carolina, Alabama, Georgia, and Virginia.

Generation

Generation for the system during FY 2003 was 127% of average. The percentage of average generation by project is shown in Figure I, and Figure J shows system generation for the years 1993 through 2003.

Financial Performance

Total revenue for the Cumberland System was \$54.8 million. Of this amount, \$46.8 million was derived from the sale of 4,008,802

megawatt-hours of energy and 948.3 megawatts of capacity. Total operating expenses, excluding depreciation, were \$32.8 million. Interest charged to Federal investment was \$3.9 million, and a repayment of the Federal investment was \$18.1 million. Figure K shows the revenue by source for the Cumberland System, and Figure L shows the application of revenues for this system.

Table 6 indicates the allocation of costs by project function for each project in this system, and Table 7 indicates the current rates. These rates were approved on a final basis by the Federal Energy Regulatory Commission on March 17, 2000.

In FY 2003, Southeastern proposed new rates to become effective October 1, 2003. These proposed rates were approved on an interim basis by the Deputy Secretary of Energy on September 26, 2003.

Cost Allocation by Project Function as of September 30, 2003 - Table 6

Project	Total \$	Power %	Navigation %	Flood Control %	Fish and Wildlife %	Recreation %	Other %
Barkley	196,925,344	25.22	58.62	11.60	–	4.57	–
J. Percy Priest	67,829,649	17.21	–	37.94	–	44.86	–
Cheatham	52,252,657	41.26	49.65	–	–	9.08	–
Cordell Hull	90,653,667	46.93	19.32	–	–	26.68	7.07 (b)
Old Hickory	70,403,773	56.31	35.85	–	–	7.84	–
Center Hill	80,538,543	48.62	–	36.27	–	14.24	0.86 (a)
Dale Hollow	35,512,612	57.36	–	31.01	–	11.63	–
Wolf Creek	219,718,915	59.04	–	37.36	–	3.48	0.11 (a)
Laurel	51,756,810	53.83	–	–	–	33.92	12.25 (b)
Stonewall Jackson	211,072,400	0.37	–	16.98	–	82.65	–
TOTAL- Cumberland System	1,076,664,370	35.57	17.10	19.20	–	26.85	1.27

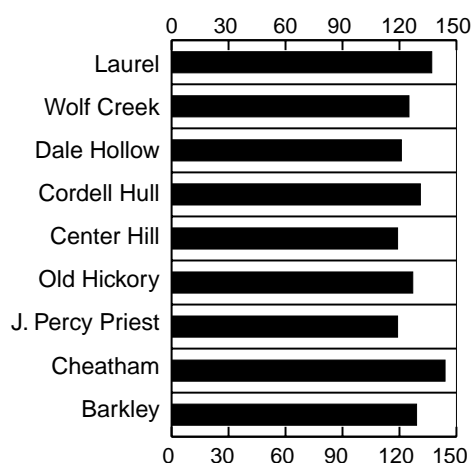
(a) World War II Suspension Costs

(b) Area Redevelopment

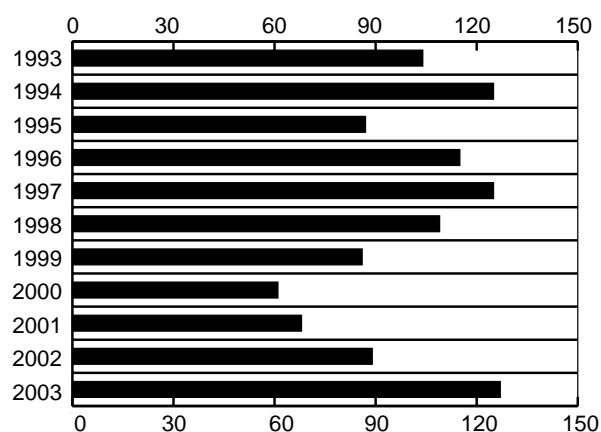
Basic Power Rate Schedule as of September 30, 2003 - Table 7

Preference Customers	Capacity \$/KW/ Month	Energy Mills/ KWh	Trans. \$/KW/ Month
Tennessee Valley Authority	1.43	8.63	-
Carolina Power & Light Co. Area	3.30	-	1.20
Kentucky Utility Area	2.90	8.63	-
East Kentucky Power Cooperative	2.90	-	-
Stonewall Jackson	-	16.00	-
Other Preference Customers	2.90	-	-

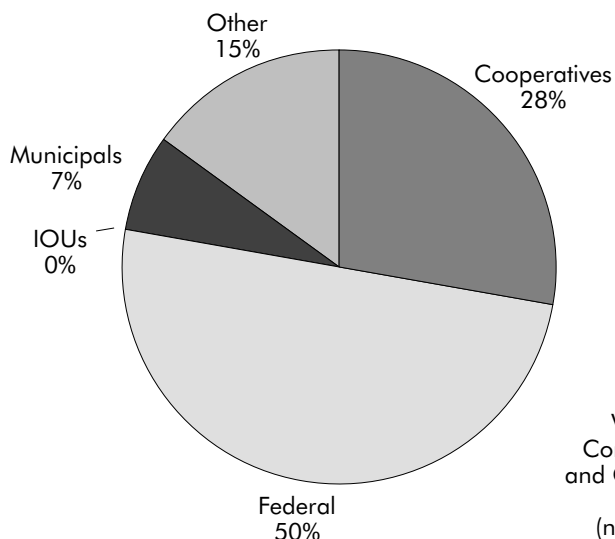
Actual Generation as a Percentage of Average Project Generation - Figure I



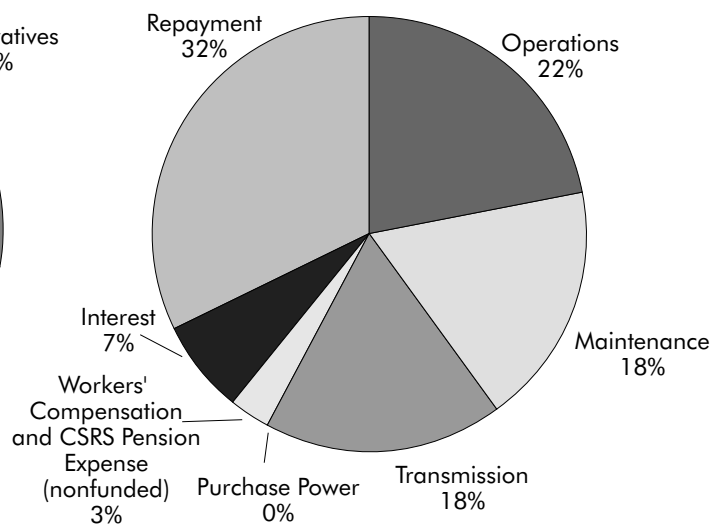
Actual Generation as a Percentage of Average System Generation - Figure J



FY 2003 Revenue by Source Figure K



FY 2003 Application of Revenues Figure L



sepa

jim woodruff

The Jim Woodruff System is a one-project system located in the northern panhandle of Florida near the Georgia-Florida border. This system has seven customers located in the northern part of Florida.

Generation

Generation during FY 2003 was 93% of average. Figure M illustrates the system's generation for the years 1993 through 2003.

Financial Performance

Total revenue for the Jim Woodruff System was \$6.3 million. Of this amount, \$6.27 million was derived from the sale of 228,141 megawatt-

hours of energy and 36 megawatts of capacity.

Total operating expenses, excluding depreciation, were \$3.9 million. Interest charged to the Federal investment was \$2.1 million, and repayment of the Federal investment was \$0.3 million. Figure N shows the revenue by source for the system, and Figure O shows the application of revenues.

Table 8 indicates the allocation of costs by project function for the project in the system, and Table 9 indicates the current rates. Current rates for the Jim Woodruff System were approved on a final basis by the Federal Energy Regulatory Commission on April, 2, 2003.

Cost Allocation by Project Function as of September 30, 2003 - Table 8

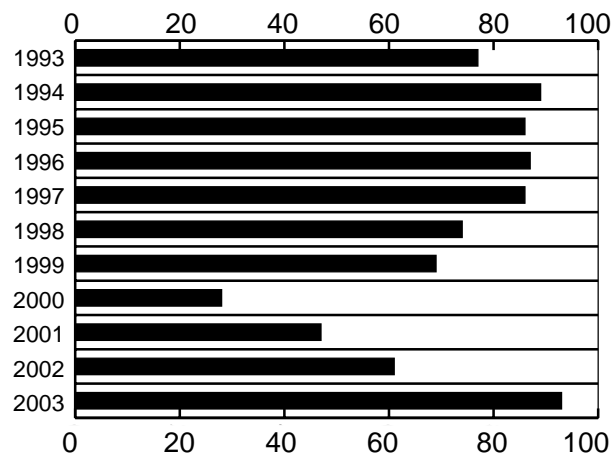
Project	Total \$	Power %	Navigation %	Flood Control %	Fish and Wildlife %	Recreation %	Other %
Jim Woodruff	98,942,854	60.93	32.49	–	–	6.59	–
TOTAL- Jim Woodruff System	98,942,854	60.93	32.49	–	–	6.59	–

Basic Power Rate Schedule as of September 30, 2003 - Table 9

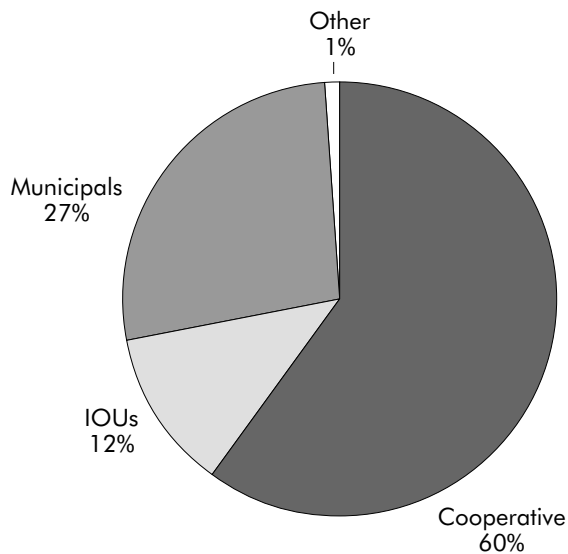
	Capacity \$/KW/ Month	Energy Mills/ KWh
Preference Customers	5.79	16.25
Investor Owned Utility*	–	12.60

*Rate determined at 70% of Investor Owned Utility avoided cost

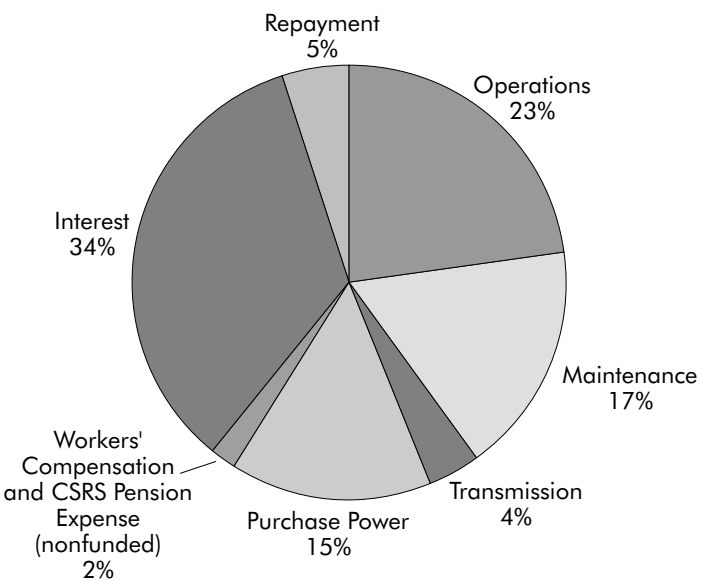
Actual Generation as a Percentage of Average System Generation - Figure M



**FY 2003 Revenue by Source
Figure N**



**FY 2003 Application of Revenues
Figure O**



customer sales

Customer	KW	KWH	\$	Customer	KW	KWH	\$
Georgia-Alabama-South Carolina Sales							
Alabama							
Alabama EC	100,000	209,017,000	\$5,497,103.96	City of Barnesville	2,635	4,544,545	\$136,344.39
Baldwin County EMC	17,284	34,292,361	1,339,025.42	City of Blakely	5,412	9,386,130	281,671.71
Black Warrior EMC	18,494	32,440,796	1,436,089.06	City of Brinson	156	267,862	8,016.70
Central Alabama EC	18,660	37,150,185	1,451,156.89	City of Buford	2,356	4,075,253	122,259.90
Clarke-Washington EMC	6,678	13,538,132	529,970.16	City of Cairo	6,253	10,720,237	321,452.06
Coosa Valley EC	5,728	11,318,096	441,720.34	City of Calhoun	7,660	13,007,868	389,838.39
Dixie EC	7,273	14,279,318	556,867.91	City of Camilla	6,072	10,572,713	317,379.25
Pea River EC	3,422	6,853,960	268,344.23	City of Cartersville	17,152	29,628,231	888,887.08
Pioneer EC	10,056	20,173,033	788,680.44	City of College Park	15,559	26,559,107	796,201.35
Tallapoosa River EC	11,494	22,838,939	892,573.74	City of Commerce	4,456	7,789,945	233,911.45
Tombigbee EC	6,578	11,461,234	506,867.15	City of Covington	9,382	16,116,786	483,347.63
Wiregrass EC	8,467	16,686,454	651,031.95	City of Dalton	45,822	80,961,277	2,354,446.37
City of Alexander City	7,846	13,793,529	610,873.28	City of Doerun	629	1,087,776	32,638.36
City of Dothan	52,461	91,645,644	4,054,483.23	City of Douglas	10,180	17,618,477	528,641.48
City of Evergreen	4,047	7,185,432	318,725.44	City of East Point	33,488	58,053,371	1,742,103.00
City of Fairhope	6,248	10,959,630	485,149.65	City of Elberton	11,447	20,008,728	600,745.91
City of Foley	21,199	37,168,948	1,645,339.67	City of Ellaville	936	1,610,581	48,289.37
City of Hartford	3,050	5,380,719	240,980.09	City of Fairburn	1,799	3,065,327	91,869.01
City of LaFayette	2,358	4,164,637	184,598.41	City of Fitzgerald	9,720	16,775,182	503,275.32
City of Lanett	5,321	9,361,084	414,589.57	City of Forsyth	3,720	6,430,684	192,944.55
City of Luverne	3,158	5,554,124	246,001.89	City of Fort Valley	9,417	16,245,034	487,348.17
City of Opelika	20,809	36,438,821	1,612,692.80	City of Grantville	470	820,272	24,639.68
City of Piedmont	3,869	6,790,413	300,656.50	City of Griffin	18,157	31,328,248	939,827.43
City of Robertsdale	3,372	5,996,234	266,005.48	City of Hampton	832	1,356,374	64,062.66
City of Sylacauga	16,494	29,209,838	1,295,006.64	City of Hogansville	1,531	2,659,853	79,833.47
City of Troy	10,079	17,745,299	786,043.40	City of Jackson	2,067	3,563,442	106,901.70
City of Tuskegee	11,689	20,606,079	912,941.63	City of LaFayette	6,607	11,434,069	343,076.24
Alabama Total	386,134	732,049,939	\$27,733,518.93	City of Lagrange	17,096	29,318,717	879,192.37
				City of Lawrenceville	4,795	8,107,402	242,880.36
				City of Marietta	37,172	63,398,779	1,900,527.34
				City of Monroe	7,223	12,533,825	376,153.37
				City of Monticello	1,836	3,204,464	96,197.29
				City of Moultrie	15,480	26,756,988	802,809.85
				City of Newnan	6,893	11,905,199	357,157.49
				City of Norcross	1,736	2,951,340	88,455.09
				City of Oxford	458	761,060	22,776.28
				City of Palmetto	923	1,592,244	47,760.77
				City of Quitman	4,428	7,734,208	232,191.94
				City of Sandersville	4,997	8,692,824	260,903.52
				City of Sylvania	5,436	9,276,360	278,095.06
				City of Sylvester	3,952	6,774,330	203,136.36
				City of Thomaston	7,687	13,147,388	394,202.00
				City of Thomasville	25,053	43,210,452	1,296,276.00
				City of Washington	5,068	8,775,278	263,336.52
				City of West Point	4,683	8,213,991	246,695.97
				City of Whigham	319	536,208	16,074.23
				Crisp County Power Com.	18,068	31,212,678	936,469.19
				Town of Mansfield	379	665,365	20,000.73
				Southern Company	-	1,240,000	11,784.99
				Georgia Total	1,095,655	1,742,521,391	\$54,452,962.87
				Mississippi			
				Coast EPA	26,863	46,415,408	\$2,050,404.97
				East Mississippi EPA	11,336	19,458,772	860,366.80
				Singing River EPA	33,684	58,220,636	2,571,418.92
				South Mississippi EPA	68,000	136,330,590	5,225,676.42
				Mississippi Total	139,883	260,425,406	\$10,707,867.11
				North Carolina			
				Blue Ridge EMC	7,311	18,127,000	\$436,830.95
				EnergyUnited EMC	16,302	40,557,900	975,220.52
				Haywood EMC	926	2,274,127	55,142.59
				Peo Dee EMC	455	1,109,921	27,031.09
				Rutherford EMC	24,018	59,356,393	1,433,417.89
				Union EMC	11,633	28,698,647	693,840.36
				City of Cherryville	1,478	1,872,124	73,325.86
				City of Concord	8,007	9,160,711	464,389.30
				City of Gastonia	15,971	20,222,575	792,282.75
				City of Kings Mountain	2,896	3,312,272	167,953.47
				City of Lincolnton	1,577	1,996,338	78,227.08
				City of Monroe	7,693	9,743,007	381,649.30
				City of Morganton	9,535	29,375,858	622,879.47
				City of Newton	2,067	2,615,988	102,527.94
				City of Shelby	5,892	7,458,994	292,275.02
				City of Statesville	9,705	12,287,867	481,435.87
				Town of Bostic	412	1,279,679	27,003.96
				Town of Cornelius	361	457,432	17,911.17
				Town of Dallas	1,299	1,484,876	75,328.36
				Town of Drexel	879	2,713,816	57,471.00
				Town of Forest City	2,721	3,113,437	157,815.54

Customer	KW	KWH	\$
Town of Granite Falls	828	1,047,865	41,070.27
Town of Huntersville	490	619,649	24,300.81
Town of Landis	1,098	1,389,104	54,458.84
Town of Maiden	1,235	1,562,777	61,256.77
Town of Pineville	490	619,649	24,300.81
North Carolina Total	135,279	262,458,006	\$7,619,346.99

South Carolina			
Blue Ridge EC	18,399	43,372,714	\$1,085,642.98
Broad River EC	5,570	13,046,935	327,939.91
Central Electric Power Coop.	129,088	268,687,520	9,262,230.75
Laurens EC	13,843	32,606,585	816,588.40
Little River EC	5,272	12,452,303	316,814.70
York EC	9,050	21,168,311	532,569.12
City of Abbeville	2,878	8,553,509	198,191.97
City of Clinton	2,890	3,305,861	167,609.29
City of Easley	8,405	23,414,431	603,952.58
City of Gaffney	6,783	18,907,877	487,502.68
City of Georgetown	5,300	11,120,962	381,351.64
City of Greenwood	11,404	28,435,550	679,929.74
City of Greer	8,891	24,878,246	639,802.78
City of Laurens	5,719	15,984,613	411,391.93
City of Newberry	3,183	3,640,676	184,599.28
City of Orangeburg	13,779	32,542,709	958,270.55
City of Rock Hill	18,559	51,705,007	1,333,614.20
City of Seneca	2,688	2,443,430	128,462.39
City of Union	3,385	3,872,447	196,320.49
City of Westminster	658	752,598	38,160.85
Town of Bamberg	2,300	4,766,123	164,985.57
Town of Due West	285	325,849	16,527.58
Town of McCormick	522	1,205,080	36,174.29
Town of Prosperity	602	1,687,064	43,342.27
Town of Winnsboro	1,366	3,133,208	94,457.54
South Carolina PSA	135,000	216,056,080	7,441,742.55
South Carolina Total	415,819	848,065,688	\$26,548,176.03

Georgia-Alabama-South Carolina System			
	2,182,403	3,864,082,477	\$127,786,601.47

Kerr-Philpott System			
North Carolina			
Albemarle EMC	2,852	13,937,983	\$250,144.64
Brunswick EMC	3,515	20,118,652	311,172.36
Carteret-Craven EMC	2,679	15,333,676	237,163.89
Central EMC	1,239	7,091,610	109,684.82
Edgecombe-Martin Cty EMC	4,636	22,936,835	408,928.90
Four County EMC	4,198	24,027,912	371,636.23
Halifax EMC	2,815	14,369,067	248,389.00
Harkers Island EMC	56	42,446	2,663.39
Jones-Onslow EMC	5,184	29,671,436	458,923.66
Lumbee River EMC	3,729	21,343,517	330,117.14
Pee Dee EMC	2,968	16,987,811	262,748.07
Piedmont EMC	1,086	6,215,890	96,140.25
Pitt & Greene EMC	1,580	9,043,377	139,872.59
Randolph EMC	3,608	20,650,953	319,405.25
Roanoke EMC	5,972	29,355,604	525,196.87
South River EMC	6,119	35,023,052	541,696.40
Tideland EMC	3,452	17,590,548	304,575.85
Tri-County EMC	3,096	17,720,441	274,079.46
Wake EMC	2,164	12,385,995	191,572.31
City of Elizabeth City	2,073	1,571,266	111,202.42
City of Kinston	1,466	1,111,178	69,723.02
City of Laurinburg	415	314,556	19,737.42
City of Lumberton	895	678,382	42,566.20
City of New Bern	1,204	912,592	57,262.35
City of Rocky Mount	2,538	1,923,721	120,707.39
City of Washington	2,703	2,048,788	128,554.78
City of Wilson	2,950	2,236,003	140,302.14
Fayetteville Pub.Wks Comm.	5,431	4,116,520	258,298.49
Greenville Utilities Comm.	7,534	5,710,532	358,317.31
Town of Apex	145	109,908	6,896.21
Town of Ayden	208	157,658	9,892.53
Town of Belhaven	182	137,949	9,763.06
Town of Benson	120	90,957	5,707.25
Town of Clayton	161	122,033	7,657.12
Town of Edenton	775	587,425	41,573.51
Town of Enfield	334	238,082	17,792.45
Town of Farmville	237	179,640	11,271.72
Town of Fremont	60	45,479	2,853.56
Town of Hamilton	40	30,318	2,145.73
Town of Hertford	203	153,867	10,889.58
Town of Hobgood	46	34,867	2,467.59
Town of Hookerton	30	22,739	1,426.76
Town of La Grange	93	70,492	4,423.08

Customer	KW	KWH	\$
Town of Louisville	857	4,905,173	75,867.62
Town of Pikeville	40	30,318	1,902.45
Town of Red Springs	117	88,683	5,564.55
Town of Robersonville	232	175,848	12,445.22
Town of Scotland Neck	304	230,423	16,307.56
Town of Selma	183	138,706	8,703.47
Town of Smithfield	378	286,512	17,977.65
Town of Tarboro	2,145	1,625,839	115,064.75
Town of Wake Forest	149	112,937	7,086.44
Town of Windsor	427	304,374	22,746.63
North Carolina Total	95,623	364,350,570	\$7,109,209.09

Virginia			
B-A-R-C EC	4,042	19,822,669	\$355,087.42
Central Virginia EC	8,902	43,927,996	784,271.76
Community EC	4,558	22,384,457	400,675.47
Craig-Botetourt EC	1,835	9,047,145	161,599.60
Mecklenburg EMC	12,257	60,684,005	1,081,502.32
Northern Neck EC	4,334	21,330,633	381,366.00
Northern Virginia EC	3,781	18,719,605	333,618.34
Prince George EC	2,655	12,975,223	232,866.04
Rappahannock EC	25,716	126,710,002	2,264,038.86
Shenandoah Valley EMC	10,762	53,147,717	948,479.85
Southside EC	15,904	78,343,634	1,400,025.57
City of Franklin	1,294	922,390	68,932.35
Harrisonburg Electric Com.	3,472	2,507,268	185,223.04
Town of Blackstone	502	357,837	26,741.94
Town of Culpepper	505	364,682	26,940.58
Town of Elkton	221	157,534	11,772.85
Town of Wakefield	137	97,654	7,298.07
Virginia Total	100,877	471,500,451	\$8,670,440.06
Kerr-Philpott System Total	196,500	835,851,021	\$15,779,649.15

Jim Woodruff System			
Central Florida EC	2,300	11,569,852	\$347,814.09
Suwannee Valley EC	4,800	22,787,477	703,800.51
Talquin EC	13,500	64,741,029	1,990,021.74
Tri-County EC	5,200	25,136,352	769,761.72
City of Chattahoochee	1,800	10,659,074	298,273.96
City of Quincy	8,400	48,649,921	1,374,193.21
Florida Power Corporation	-	44,597,048	781,152.21
Jim Woodruff System Total	36,000	228,140,753	\$6,265,017.44

Cumberland System			
Southern Illinois Power Coop.	28,000	41,858,000	\$974,400.00

Kentucky			
Big Rivers Electric Corp.	178,000	263,641,000	\$6,194,400.00
East Kentucky Power Coop.	170,000	290,853,000	5,916,000.00
City of Barbourville	2,200	3,970,361	83,680.59
City of Bardstown	2,247	4,055,182	85,468.31
City of Bardwell	542	978,152	20,615.85
City of Benham	248	447,568	9,433.08
City of Corbin	2,598	4,688,636	98,819.14
City of Falmouth	590	1,064,779	22,441.62
City of Frankfort	15,621	28,191,369	594,170.11
City of Henderson	12,000	18,000,000	417,600.00
City of Madisonville	7,803	14,082,149	296,799.78
City of Nicholasville	2,556	4,612,838	97,221.61
City of Owensboro	25,000	45,117,744	950,915.63
City of Paris	1,364	2,461,624	51,881.96
City of Providence	1,231	2,221,597	46,823.09
Kentucky Total	422,000	684,385,999	\$14,886,270.77

Mississippi			
South Mississippi EPA	51,000	76,500,000	\$1,774,800.00
Miss. Delta Energy Agency	11,215	16,923,000	390,282.00
Mun. Energy Agency of Miss.	18,785	28,177,000	653,718.00
Mississippi Total	81,000	121,600,000	\$2,818,800.00

North Carolina			
French Broad EMC	8,200	13,506,546	\$442,066.06
Haywood EMC	2,400	3,953,136	129,385.20
Town of Waynesville	1,700	2,800,138	91,647.85
North Carolina Total	12,300	20,259,820	663,099.11

Tennessee Valley Authority	405,000	3,140,275,000	27,497,978.58
Monongahela Power Company	-	423,064	6,767.83

Cumberland System Total	948,300	4,008,801,883	\$46,847,316.29
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Grand Total	3,363,203	8,936,876,134	\$196,678,584.35
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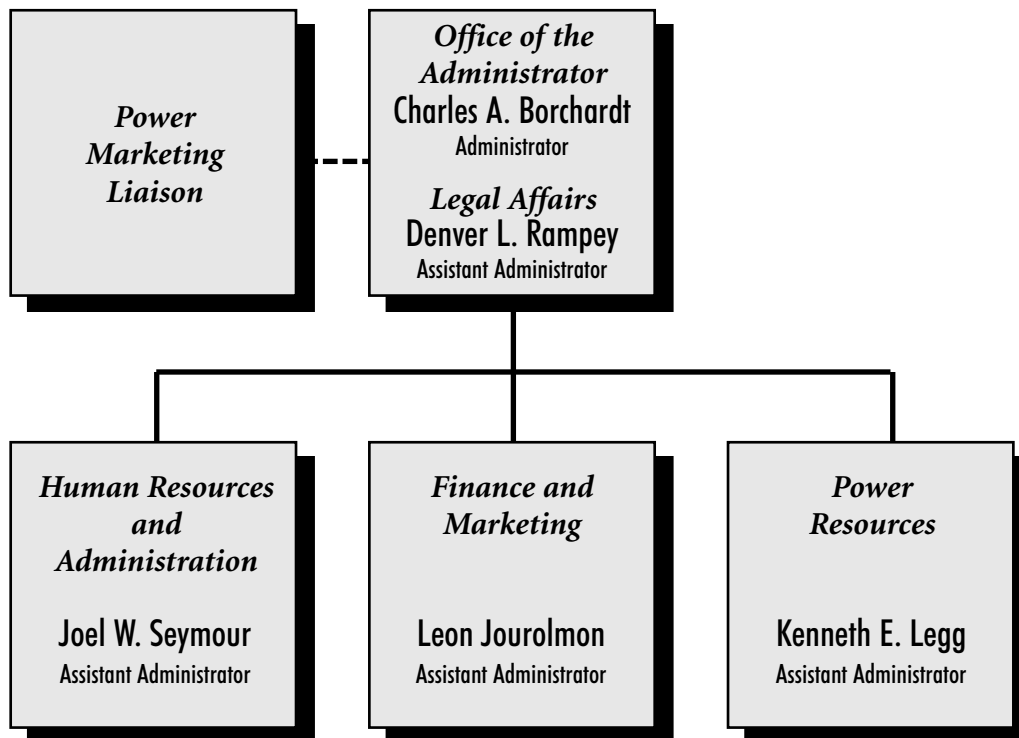
a closer look

Mission Statement

Southeastern's mission is to market Federal hydroelectric power at the lowest possible cost to public bodies and cooperatives in the southeastern United States in a professional, innovative, customer oriented manner, while continuing to meet the challenges of an ever-changing electric utility environment through continuous improvements.

Organizational Chart Vision Statement

Southeastern Power Administration will foster a well-trained, flexible workforce in an open and rewarding workspace. Southeastern's employees will practice integrity and honesty with all partners, nurture creativity, and achieve results in a rapidly changing electric utility industry.



2003 FINANCIAL OVERVIEW

Security



Service



Support



SEPA
SouthEastern Power Administration

sepa

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sepa

financial overview

Description

The Southeastern Federal Power Program (Power Program) consists of all activities associated with the production, transmission and disposition of Federal power marketed under Section 5 of the Flood Control Act of 1944 in 11 states. These states are: Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Tennessee, Kentucky, and Illinois. The Power Program includes the accounts of two separate Federal government agencies - the Southeastern Power Administration (Southeastern), an agency of the United States Department of Energy, and the United States Army Corps of Engineers (Corps). Southeastern purchases, transmits, and markets power within four separate power systems (each including one or more Corps generating projects for which rates are set). These systems are: Georgia-Alabama-South Carolina System, Jim Woodruff System, Cumberland System, and Kerr-Philpott System.

The Corps operates 23 Federal hydroelectric generating projects in commercial service as of September 30, 2003, for which Southeastern is the power marketing agency. The Corps and Southeastern are separately managed and financed; however, the financial statements are combined under the Power Program title.

Costs of multiple purpose Corps projects are allocated to individual purposes (e.g., power, recreation, navigation, and flood control) through a cost allocation process.

Specific and joint-use costs allocated to power are included in the attached statements of assets, Federal investment, and liabilities, under utility plant and cash.

The accounts of the Power Program are maintained in conformity with accounting principles generally accepted in the United States and with the Uniform System of Accounts prescribed for electric utilities by the Federal Energy Regulatory Commission. The Power Program's accounting policies also reflect requirements of specific legislation and executive directives issued by the applicable government agencies.

Southeastern and the Corps receive Congressional appropriations through the Department of Energy and the Department of Defense to finance their operations. The Corps also receives Congressional appropriations to finance construction of its hydroelectric projects. In accordance with the Flood Control Act of 1944, Southeastern is responsible for repayment, with interest, of its appropriations, as well as Corps construction and operation appropriations allocated to power.

Program Performance

During FY 2003, Southeastern marketed 8.9 billion kilowatt-hours of energy to 495 wholesale customers. Southeastern's revenues totaled \$213 million, which was \$52 million more than in FY 2002.

Financial Performance - Debt Service Coverage Ratio

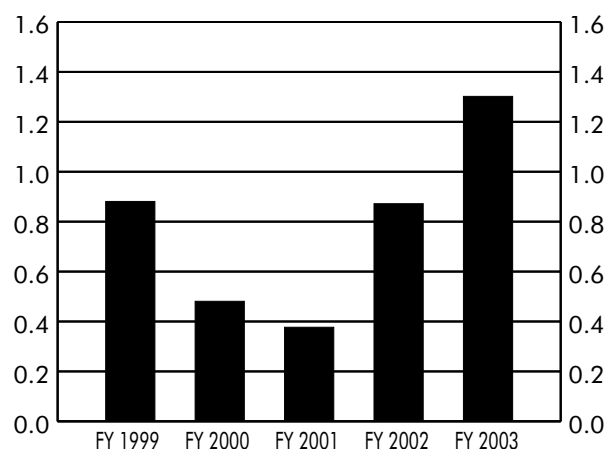
The debt service coverage ratio measures the adequacy of a utility's cash flow to cover debt service cash, both principal and interest.

Specifically, the debt service coverage ratio measures revenues in excess of operating expenses requiring cash, or cash flow from operations available to make debt service payments of principal and interest. A ratio of 1.0 would generally indicate just enough cash flow to make principal and interest payments on outstanding debt, in addition to meeting all other cash expenses. A ratio of 1.5 would indicate sufficient cash flow to pay 1.5 times the amount of debt service actually due. Debt service coverage is an important measure of financial health, particularly for public power systems with no significant surplus or equity as a cushion. Since the revenues of a power marketing administration are applied to operating expenses and debt service requirements with typically no return built into rates, the level of debt service coverage is viewed as an important means of determining the revenue shortfalls that could be sustained before debt service payments were adversely affected. A delicate balance exists between maintaining a sound financial condition and maintaining the lowest rates consistent with the not-for-profit orientation of power marketing agencies.

Over the last five years, Southeastern's debt service ratio has ranged from about 0.38 to 1.30. Southeastern's debt service ratio for FY 1999 to FY 2002 was below normal due to adverse water conditions. Southeastern's debt service ratio for FY 2003 was above normal due to above average water conditions.

Southeastern's debt service coverage ratio for fiscal years 1999-2003 is illustrated in Figure P.

Debt Service Coverage Ratio - Figure P



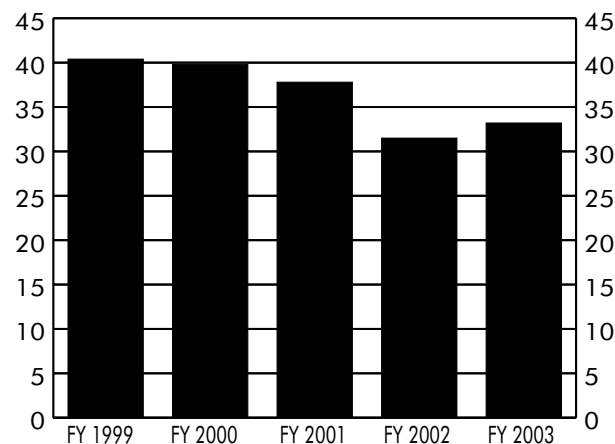
Footnote: The Corps' depreciation balances as of October 1, 2002, were adjusted to correct for a change in accounting principle that occurred in FY 1997 and FY 1998, but which was not reflected in their accounting records at that time. The adjustment was made as of October 1, 2002 for approximately \$61 million impacted FY 1999 through FY 2002; however, the amounts presented above for FY 1999 to FY 2002 do not reflect the impact of this adjustment.

Cumulative Principal Payments as a Percent of Total Federal Investment (Plant-In-Service)

This indicator is a cumulative cash flow measure. It measures the cumulative principal payments made relative to the total Federal investment to date. During a period of capital expansion, this ratio would tend to decrease, whereas increases in cumulative payments over time would be expected for a mature system. Thus, a system with little time remaining in its repayment period would be expected to have a ratio of cumulative principal payments relative to total Federal investment that approaches 100%. This indicator provides useful information by showing the relationship between the cumulative amount of principal paid to date by Southeastern, as well as the progress made over the period studied. While

analysis of this indicator does not necessarily provide conclusive information without further analysis of additional factors, such as the average age of the system, the measure nevertheless provides valuable information on the status of repayment. Over the last five years, Southeastern's principal payments as a percentage of total investment have ranged from 32% to 40%. Payments as a percent of total investment are illustrated in Figure Q.

Cumulative Principal Payments as a Percentage of Total Investment - Figure Q



*Please see footnote to Figure P on page 24.

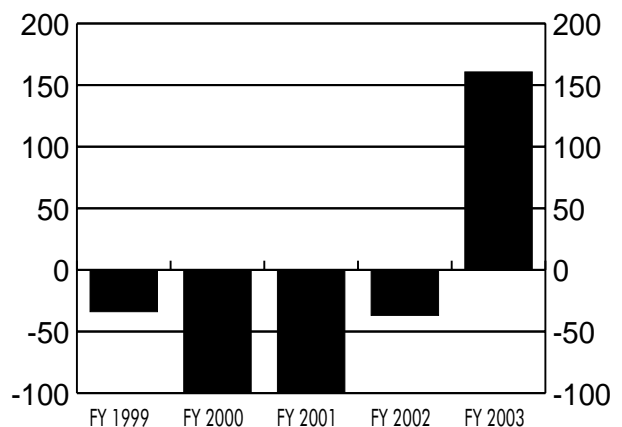
Percent Variance of Actual From Planned Principal Payment

Each of the power marketing administrations shows relatively large fluctuations between actual and planned revenues due to the high variability of water over the years analyzed. A negative number means that actual repayment is not as large as expected. A positive number means that actual repayment is larger than expected.

Southeastern's -36.9% ratio in FY 2002 was

the result of below average streamflow conditions. Southeastern's 160.7% ratio in FY 2003 was the result of above average streamflow conditions, as illustrated in Figure R.

Percent Variance of Actual From Planned Principal Payments - Figure R



*Please see footnote to Figure P on page 24.

Net Cash Flow to the Treasury

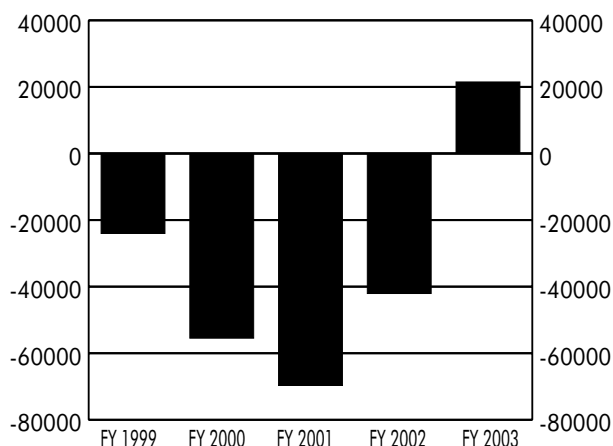
Net cash flow to the Treasury measures the actual net cash flow, both inflows and outflows, to the U.S. Treasury, excluding revenue from the Tennessee Valley Authority. This indicator focuses on cash flows as opposed to accrual accounting results.

Because of its cash nature, this indicator is negatively influenced during years of large capital expenditures. Even in years of favorable financial performance, small or negative cash flow to the U.S. Treasury may result. In addition, the variability of water levels explains some of the fluctuation of this measure.

This indicator provides valuable financial information related to the annual effect of the power marketing administrations on the cash position of the U.S. Treasury. The measure should be used only in combination with

other financial indicators to assess Southeastern's financial performance. Net cash flow to the U.S. Treasury is illustrated in Figure S.

Net Cash Flow to the U.S. Treasury - Figure S (in thousands)



Rate Performance

Performance indicators were prepared separately for transmission costs and generation rates. Cumulative year-to-year percentage increases in costs and rates were compared to cumulative percentage increases in the Consumer Price Index starting with 1999 as the base year.

Transmission Performance Indicator - Composite Transmission Cost Indicator

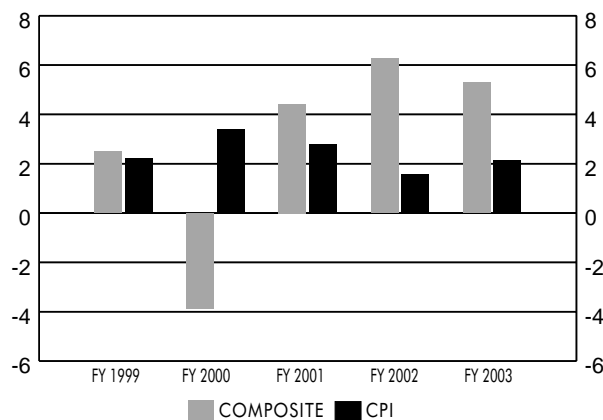
The transmission cost indicator is a measure of the change in the capacity based on weighted average transmission rates paid by Southeastern from year to year. The FY 2000 decrease was the result of decreases in transmission rates in the Georgia-Alabama-South Carolina and Kerr-Philpott Systems, and a decrease of energy produced in the Jim Woodruff System. The FY 2001 increase was

the result of an increase in energy produced at the Jim Woodruff System. The FY 2002 increase was due to an increase in the tandem transmission rates in the Kerr-Philpott System. The FY 2003 increase was the result of the Richard B. Russell pumped storage turbines becoming operational. Composite transmission indicators are illustrated in Figure T.

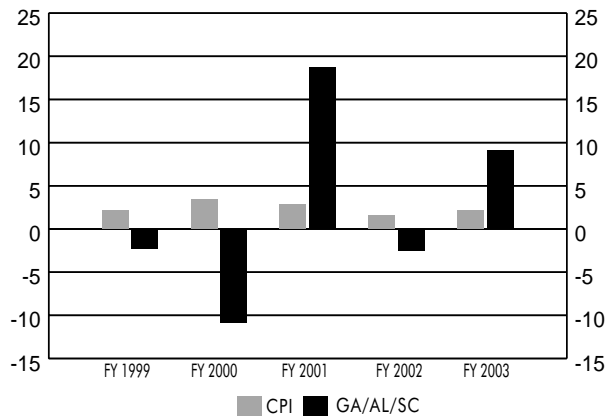
System Transmission Cost Indicator

The 7% increase in the Jim Woodruff System in FY 2001 was the result of an increase in energy produced in FY 2001. The 37.2% decrease in the Kerr-Philpott System was the result of decreases in transmission rates. The 99% increase in the Kerr-Philpott System in FY 2002 was the result of the tandem transmission charge that went into effect. This charge is to pay Virginia Power and American Electric Power to transmit power to the border of neighboring utilities. The FY 2003 3.45% decrease in the Cumberland System was the result of decreases in the transmission rate. System transmission indicators are illustrated in Figures U, V, W, and X.

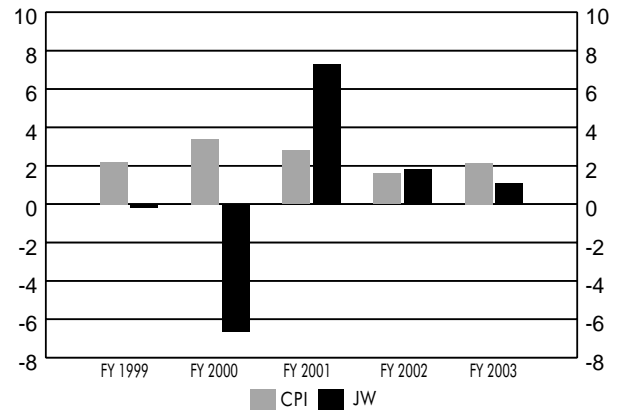
Composite Transmission Cost Indicator - Figure T



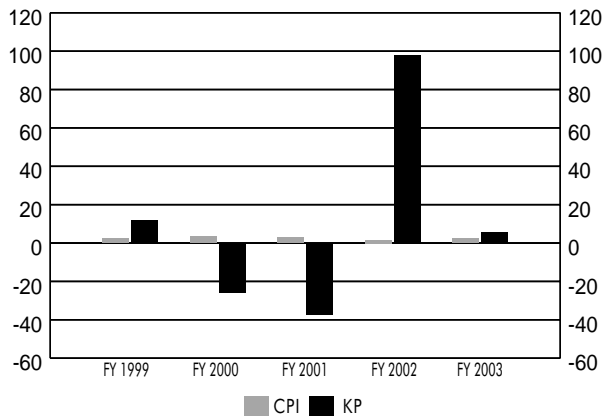
**Georgia/Alabama/South Carolina
Transmission Cost Indicator - Figure U**



**Jim Woodruff Transmission Cost
Indicator - Figure X**



**Kerr/Philpott Transmission Cost
Indicator - Figure V**

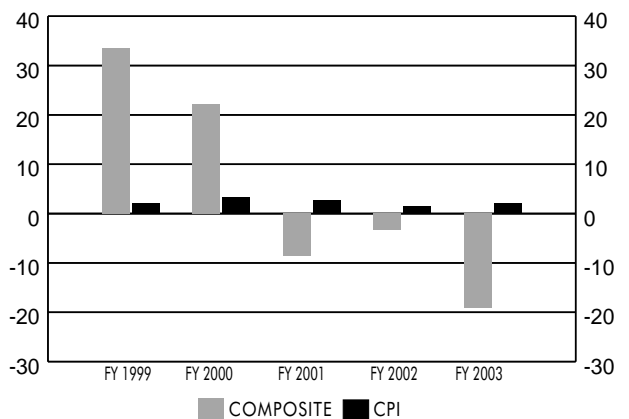


**Generation Performance
Indicator - Composite
Generation Rate Indicator**

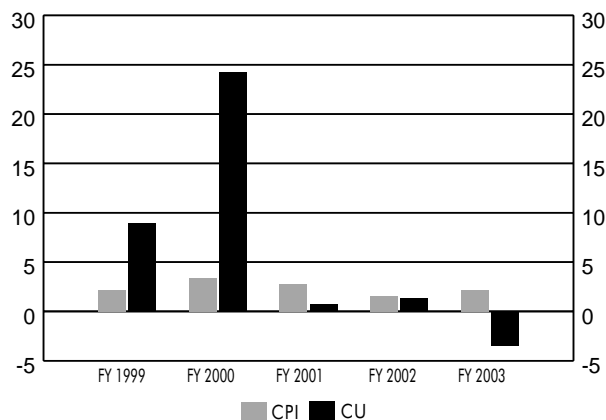
The composite generation indicator is a measure of the annual change in the average costs of energy charged by Southeastern from year to year.

The FY 1999 and FY 2000 increases were due to below average streamflow conditions. The FY 2001 decrease was the result of a decrease in transmission rates and an increase in energy produced. The FY 2002 decrease was a result of an increase in energy produced. The -19.14% decrease was the result of above normal water conditions. Composite generation rate indicator is illustrated in Figure Y.

**Composite Generation Cost Indicator
- Figure Y**



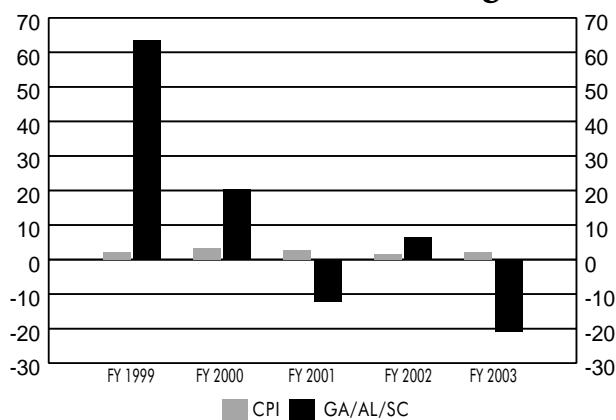
**Cumberland Transmission Cost
Indicator - Figure W**



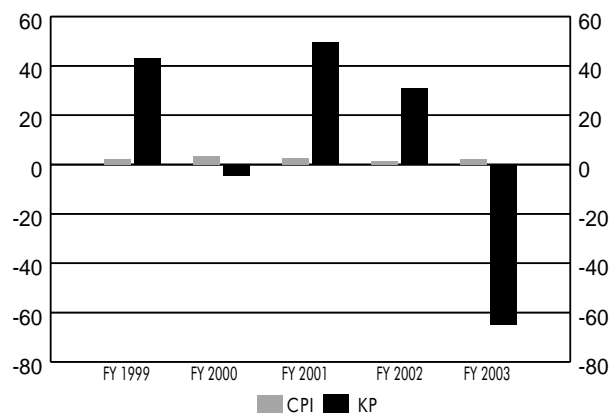
System Generation Rate Indicator

The FY 2000 increase in the Cumberland system was the result of a 6% rate increase. The FY 2001 increase in the Jim Woodruff and Kerr-Philpott Systems was due to below average streamflow conditions. The FY 2002 increase in the Kerr-Philpott System was the result of below average streamflow indicators. The FY 2002 decrease in the Jim Woodruff System was the result of an increase in energy produced. The FY 2003 decrease in the Georgia-Alabama-South Carolina, Kerr-Philpott, and Cumberland Systems was the result of above normal streamflow conditions. System generation rate indicators are illustrated in Figures Z, AA, BB, and CC.

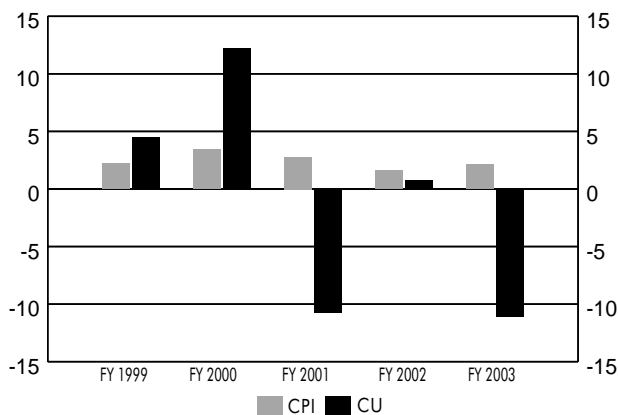
Georgia/Alabama/South Carolina Generation Cost Indicator - Figure Z



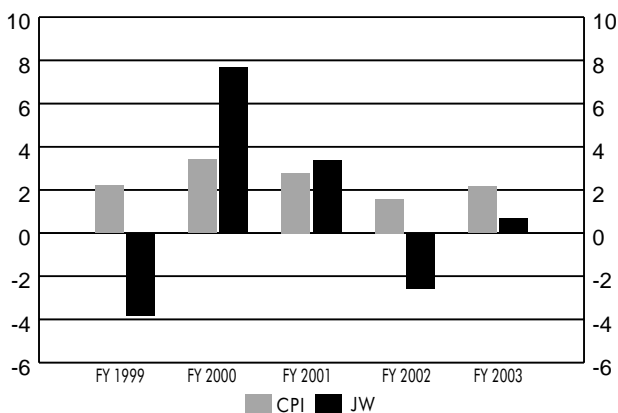
Kerr/Philpott Generation Cost Indicator - Figure AA



Cumberland Generation Cost Indicator - Figure BB



Jim Woodruff Generation Cost Indicator - Figure CC



sepa financial statements

Southeastern Federal Power Program

*Combined Financial Statements
and Supplementary Information
as of and for the Year Ended
September 30, 2003, and
Independent Auditors' Report*

INDEPENDENT AUDITORS' REPORT

Administrator of Southeastern Power Administration
United States Department of Energy

We have audited the accompanying combined statement of assets, federal investment, and liabilities of the Southeastern Federal Power Program as of September 30, 2003, and the related combined statements of revenues, expenses, and accumulated net revenues and of cash flows for the year then ended. These combined financial statements are the responsibility of Southeastern Federal Power Program's management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget ("OMB") Bulletin No. 01-02, *Audit Requirements for Federal Financial Statements*, as applicable to this entity. Those standards and OMB Bulletin No. 01-02 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Southeastern Federal Power Program as of September 30, 2003, and the results of its operations and changes in accumulated net revenues and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 3, accumulated net revenues as of October 1, 2002 have been restated.

The information presented in management's financial overview and program performance on pages 1 through 6 is not a required part of the basic combined financial statements. This information is the responsibility of Southeastern Federal Power Program's management. We did not audit or apply limited procedures to such information, and accordingly, we do not express any assurance on such information.

Our audit was conducted for the purpose of forming an opinion on the combined financial statements, referred to in the first paragraph of this report, taken as a whole. The accompanying information contained in Exhibits I through VI is presented for purposes of additional analysis and is not a required part of the combined financial statements. This information is the responsibility of Southeastern Federal Power Program's management. The information contained in Exhibits I through V has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole. The

information contained in Exhibit VI has not been subjected to the auditing procedures applied in our audit of the combined financial statements, and accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2004, on our consideration of Southeastern Federal Power Program's internal control over financial reporting and on its compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Deloitte + Touche LLP

September 24, 2004

SOUTHEASTERN FEDERAL POWER PROGRAM

COMBINED STATEMENT OF ASSETS, FEDERAL INVESTMENT, AND LIABILITIES

SEPTEMBER 30, 2003

(In thousands)

ASSETS:

UTILITY PLANT (Notes 2, 3, 4, and 8):

Plant in service	\$ 1,960,720
Less accumulated depreciation (Note 3)	(622,399)
Plant in service—net	1,338,321
Construction work in progress (Note 4)	120,583
Net utility plant	1,458,904

CURRENT ASSETS:

Cash/unexpended appropriations (Note 2)	26,023
Accounts receivable	14,653
Other	5,153
Total current assets	45,829

DEFERRED WORKERS' COMPENSATION (Note 7) 9,362

Total assets \$ 1,514,095

FEDERAL INVESTMENT AND LIABILITIES:

FEDERAL INVESTMENT (Note 5):

Congressional appropriations (Note 8)	\$ 3,413,897
U.S. Treasury transfers to continuing fund	37,645
Transfers from other federal agencies	41,639
Accumulated interest on federal investment (Note 8)	1,439,993
Funds returned to U.S. Treasury (Note 2)	(3,473,567)

Investment of U.S. government 1,459,607

Accumulated net revenues (Notes 2 and 3) 27,956

Total federal investment 1,487,563

CURRENT LIABILITIES:

Accounts payable	16,849
Accrued liabilities	321

Total current liabilities 17,170

ACCRUED WORKERS' COMPENSATION (Note 7) 9,362

COMMITMENTS AND CONTINGENCIES (Notes 2, 5, 7, and 8)

Total federal investment and liabilities \$ 1,514,095

See notes to combined financial statements.

SOUTHEASTERN FEDERAL POWER PROGRAM

COMBINED STATEMENT OF REVENUES, EXPENSES, AND ACCUMULATED NET REVENUES YEAR ENDED SEPTEMBER 30, 2003 (In thousands)

OPERATING REVENUES:	
Sales of electric power (Notes 2 and 6)	\$ 196,679
Other operating income	<u>16,050</u>
Total operating revenues	<u>212,729</u>
OPERATING EXPENSES:	
Operations	42,044
Maintenance	25,236
Transmission services charged by others	32,620
Purchased power	8,634
Pension expense	<u>3,617</u>
Total operating expenses—excluding depreciation	112,151
Depreciation	<u>32,377</u>
Total operating expenses	<u>144,528</u>
Net operating revenues	<u>68,201</u>
INTEREST EXPENSE:	
Interest on federal investment (Note 5)	66,040
Less interest charged to construction (Note 2)	<u>(5,767)</u>
Net interest expense	<u>60,273</u>
Net revenues	<u>7,928</u>
ACCUMULATED NET REVENUES (Note 2):	
Balance—beginning of year—as previously reported	80,858
Adjustment (Note 3)	<u>(60,830)</u>
Balance—beginning of year—as adjusted	<u>20,028</u>
Balance—end of year	<u>\$ 27,956</u>

See notes to combined financial statements.

SOUTHEASTERN FEDERAL POWER PROGRAM

COMBINED STATEMENT OF CASH FLOWS YEAR ENDED SEPTEMBER 30, 2003 (In thousands)

CASH FLOWS FROM OPERATING ACTIVITIES:

Net revenues	\$ 7,928
Adjustments to reconcile net revenues to net cash provided by operating activities:	
Depreciation	32,377
Net interest on federal investment	60,273
(Increase) decrease in assets:	
Accounts receivable	(543)
Other assets	10
Deferred workers' compensation	(9,362)
(Decrease) increase in liabilities:	
Accounts payable	(9,957)
Accrued liabilities	(13)
Accrued workers' compensation	9,362
Net cash provided by operating activities	<u>90,075</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Cash used in investing activities—investment in utility plant	<u>(55,664)</u>
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CASH FLOWS FROM FINANCING ACTIVITIES:

Congressional appropriations	117,491
Transfers from other federal agencies	3,008
Funds returned to U.S. Treasury	<u>(167,254)</u>
Net cash used in financing activities	<u>(46,755)</u>

NET DECREASE IN CASH	(12,344)
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CASH—Beginning of year	<u>38,367</u>
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CASH—End of year	<u>\$ 26,023</u>
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SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:

Interest charged to construction	<u>\$ 5,767</u>
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See notes to combined financial statements.

SOUTHEASTERN FEDERAL POWER PROGRAM

NOTES TO COMBINED FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2003

1. ORGANIZATION AND BASIS OF PRESENTATION

The Southeastern Federal Power Program (the “Program”) consists of all activities associated with the production, transmission, and disposition of all federal power marketed under Section 5 of the Flood Control Act of 1944 (the “Flood Control Act”) in the ten states of Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Tennessee, and Kentucky. The accompanying combined financial statements of the Program include the accounts of two separate federal government agencies—the Southeastern Power Administration (“Southeastern”), a unit of the United States Department of Energy (“DOE”), and the accounts of the Southeastern marketed hydroelectric generating plants and power operations of the United States Army Corps of Engineers (the “Corps of Engineers” or the “Corps”), a unit of the United States Department of Defense (“DOD”). Southeastern and the Corps are separately managed and financed, and each maintains its own accounting records. For purposes of financial and operational reporting, the facilities and related operations of Southeastern and the Corps are combined as the Program.

Southeastern purchases, transmits, and markets power within four separate power systems: Georgia-Alabama-South Carolina, Jim Woodruff, Cumberland Basin, and Kerr-Philpott. As of September 30, 2003, the four power systems include 23 hydroelectric generating projects owned and operated by the Corps of Engineers. The projects serve multiple purposes, including power, recreation, navigation, and flood control. However, these combined financial statements include only those expenses and net assets that are expected to be recovered through sales of power and other related income.

Costs of multipurpose Corps projects are allocated to power and nonpower purposes. The portion of total project costs allocated to power is included in the accompanying combined statement of assets, federal investment, and liabilities as utility plant and federal investment. An amount covering Corps employees’ salaries, pensions, and other benefits allocated to power is included in operations and maintenance expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General—The accompanying combined financial statements are prepared in accordance with accounting principles and standards prescribed by the DOE, including the Uniform System of Accounts prescribed for electric utilities by the Federal Energy Regulatory Commission (“FERC”). These practices integrate accounting principles generally accepted in the United States of America as established by the Financial Accounting Standards Board and Federal Accounting Standards Advisory Board, with the accounting principles and standards prescribed by the Office of Management and Budget, except where deviations therefrom are specifically authorized by federal statute or allowed by federal regulation. The Program’s combined financial statements are presented in accordance with the provisions of Statement of Financial Accounting Standards (“SFAS”) No. 71, *Accounting for the Effects of Certain Types of Regulation*. The provisions of SFAS No. 71 require, among other things, that regulated enterprises reflect rate actions of the regulator in their financial statements, when appropriate. These rate actions can provide reasonable assurance of the existence of an asset, reduce or eliminate the value of an asset, or impose a liability on a regulated enterprise.

Congressional Appropriations/Financing—Southeastern and the Corps of Engineers receive congressional appropriations through the DOE and the DOD, respectively, to finance their operations. The Corps also receives appropriations to finance construction of its hydroelectric projects. In accordance with the Flood Control Act, Southeastern is responsible for repayment to the federal government, with interest, of its appropriations and the portion of Corps appropriations allocated for construction and operation of the power projects.

Congressional appropriations received by the Corps are authorized and allocated to individual projects. It is the intent of the Corps' project management to distribute congressional appropriations in amounts approximating estimated current year expenses and to adjust the distribution as necessary within the limits of the Corps' transfer authority. Project costs which are not specific to a project purpose are distributed between power and nonpower purposes based on project cost allocation.

Operating Revenues—Operating revenues are recorded on an accrual basis as services are rendered. Rates are established under the requirements of the Flood Control Act, related legislation and executive departmental directives and are intended to provide sufficient revenues to meet all required payments for Program costs. Such Program costs include operation and maintenance expenses less depreciation, wheeling fees to connecting utilities for transmission of power to customers, and payment to the U.S. Treasury for the federal investment in utility plant and interest thereon. The rates are also required to be low enough to encourage widespread use of electricity at the lowest possible cost to preference customers, primarily public bodies and cooperatives, consistent with sound business principles.

The rates required under present DOE policy make provision for recovery of the federal investment in generating facilities within the service lives of the assets, not to exceed 50 years from the date placed in service. Operation and maintenance costs and interest on federal investment are intended to be recovered annually. As discussed below, assets are being depreciated on the straight-line method over their estimated service lives, which currently average approximately 55 years for generating plant components. Thus, annual depreciation charges will continue beyond the period such costs have been recovered through revenues. The Program matches these costs and revenues as well as any other differences between estimated and actual costs by deferring the unmatched portion of the revenues as accumulated net revenues. Because the Program is a nonprofit federal power marketing agency, accumulated net revenues are committed to repayment of the federal investment.

Cash received is directly deposited with the U.S. Treasury and is reflected as "funds returned to U.S. Treasury" in the accompanying combined statements of assets, federal investment, and liabilities.

Confirmation and Approval of Rates—Southeastern has established rate schedules for each of the four power systems. These rates generally may be adjusted at five-year intervals under the terms of Southeastern's current power sales contracts and DOE Order RA 6120.2.

The Secretary of Energy (the "Secretary") has delegated authority to the Administrator of Southeastern to develop power and transmission rates for the power projects. The Deputy Secretary has the authority to confirm, approve, and place such rates in effect on an interim basis.

The Secretary has delegated to FERC the authority to confirm, approve, and place such rates in effect on a final basis and to remand or to disapprove such rates. Refunds with interest, as determined by FERC, are authorized if final approved rates are lower than rates approved on an interim basis. However, if at any time FERC determines that the administrative cost of a refund

would exceed the amount to be refunded, no refunds will be required. No significant refunds are anticipated in connection with rates approved on an interim basis as of September 30, 2003.

Cash—Cash consists of the unexpended balance of funds appropriated by Congress for the Program-related activities of Southeastern and the Corps of Engineers and are maintained by the U.S. Treasury. For purposes of the statement of cash flows, unexpended appropriations are considered to be cash.

Utility Plant—Plant in service and construction work in progress consist principally of generating facilities and is stated at cost, excluding contributions in aid of construction by entities outside the Program. Cost includes direct labor and materials, payments to contractors, indirect charges for engineering, supervision, and similar overhead items, and interest on federal funds used during construction. The costs of additions, replacements, and betterments are capitalized, while repairs and minor replacement costs are charged to operation and maintenance expenses. The cost of utility plant retired, together with removal costs less salvage, is charged to accumulated depreciation when the property is removed from service. Gains and losses are recognized only on sales of significant identifiable assets.

Interest Charged to Construction—Interest on federal funds used during utility plant construction is included in the cost of completed projects.

Depreciation—Pursuant to executive directives of the Corps of Engineers, depreciation of utility plant is computed based on the estimated service lives of the various classes of property using the straight-line method. Service lives currently average approximately 55 years for utility plant components. Depreciation expense amounted to 1.7% of the original cost of generating plant in service during the year ended September 30, 2003. (See Note 3.) In 2004, the Department of Defense Inspector General (“DoDIG”) issued an information paper on certain issues related to the accounting for buildings and other structures by the Corps, which includes, among other things, a proposed reduction in the useful lives of certain assets for purposes of computing depreciation expense. The DoDIG has stated that any change in useful lives should be accounted for prospectively, starting in 2005. The Program is presently in process of evaluating the impact on its financial statements of the issues raised in the DoDIG information paper.

Retirement Benefits—Substantially all employees engaged in Program activities participate in either the Civil Service Retirement System (“CSRS”) or the Federal Employees’ Retirement System (“FERS”). Both are contributory defined benefit pension plans and are not covered under the Employee Retirement Income Security Act of 1974. Pension benefit expense under CSRS is equivalent to 18.1% of eligible employee compensation and under FERS is 10.7% with options available to be chosen by the participant. Contributions to these plans are submitted to benefit program trust funds administered by the Office of Personnel Management (the “OPM”). The contribution levels as legislatively mandated do not reflect the total current cost/full cost requirements to fund the pension plans. Additional sources of funding include direct appropriations to the OPM, not Southeastern or the Corps. Other retirement benefits administered by the OPM include the Federal Employees Health Benefits Program and the Federal Employee Group Life Insurance Program.

Statement of Federal Financial Accounting Standards (“SFFAS”) No. 5, *Accounting for Liabilities of the Federal Government*, requires the federal employer entity to recognize pension expense and other retirement benefit expense in its financial report equal to the service cost for its employees for the accounting period, less the amount contributed by the employees, if any. In accordance with SFFAS No. 5, Southeastern has recorded \$327,635 of annual pension and retirement benefits

expense for the year ended September 30, 2003. The Corps has recorded \$3,007,678 of annual pension and retirement benefits expense for 2003. Pension and retirement benefits expense is included as part of pension expense.

Use of Estimates—The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management of Southeastern and the Corps to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. ADJUSTMENT TO PREVIOUSLY REPORTED ACCUMULATED NET REVENUES AS OF SEPTEMBER 30, 2002

Subsequent to the issuance of the Program's 2002 financial statements, Southeastern and Corps management became aware that accumulated depreciation in the Corps Power Purpose financial information included in the Program's combined financial statements should be adjusted to reflect the conversion from the composite life straight-line method of depreciation to the individual asset straight-line method of depreciation. This change occurred during fiscal years 1997 and 1998 but was not reflected in the accounting records and financial statements as a change in accounting principle at that time. This change was initiated by the Department of Defense Office of Inspector General and implemented by the Corps in their financial statements for the year ended September 30, 2003, as the amounts were not considered material to the Corps as a whole. The adjustment to the Program's financial statements was material. As a result, the Program's accumulated net revenues as of September 30, 2002 have been reduced by \$60,830,027 to reflect this prior period adjustment. The change did not have a material effect on the Program's operating results in 2002.

4. CONSTRUCTION WORK IN PROGRESS

At September 30, 2001, construction work in progress primarily represented construction on the four hydroelectric units at Richard B. Russell hydroelectric project located on the Savannah River. During fiscal 2002, the four hydroelectric units that had been under construction were completed and placed in service. At September 30, 2003, total costs of such units were \$397 million, of which \$297 million was tentatively allocated to power and subject to adjustment. Historically, nearly 93% of joint operations and maintenance have been allocated to power. However, it is expected that the power allocation percentage will be approximately 72% once the final cost allocation study is completed. A final determination of the construction costs and operations and maintenance expenses to be allocated to power will not be made until the final power allocation percentage is adopted by administrative procedure, which is expected to be in the next few years. See Note 8 for additional information on the Richard B. Russell project cost allocations.

Construction appropriations for power generating facilities have been authorized by Congress through fiscal year 2004. Delays or cancellation of these projects could result from congressional suspension or termination of appropriations.

5. FEDERAL INVESTMENT

The federal investment in each of the generating projects is to be repaid to the U.S. Treasury within the service lives of the assets, not to exceed 50 years from the time the facility is placed in service. There is no requirement for repayment of a specific amount on an annual basis.

Southeastern follows the provisions of DOE Order RA 6120.2 in setting priorities for repayment. Order RA 6120.2 requires that annual revenues be first applied to current year operating expenses, excluding depreciation, and interest expense on federal investment, net of interest charged to construction and interest credited on operating revenues deposited with the U.S. Treasury. All annual amounts for such expenses have been paid through fiscal year 2003. Remaining revenues are to be first applied to repayment of operating deficits (which include all expenses except depreciation), if any, and then to repayment of the federal investment. Annual net revenues available for repayment are generally applied first against investments in projects bearing the highest interest rates. To the extent that funds are not available for payment of such operating expenses and interest, such amounts become payable from the subsequent year's revenue prior to any repayment of the federal investment.

Interest is accrued annually on the unpaid balance of the federal investment. Such interest is reflected as an expense in the accompanying statement of revenues, expenses, and accumulated net revenues, with a corresponding increase in federal investment in the accompanying statement of assets, federal investment, and liabilities. Interest rates applied to the net outstanding federal investment range from 2.5% to 7%. The average rate was approximately 4.6% in fiscal 2003. The rates have been set either by law, by administrative order pursuant to law, or by administrative policies and have not necessarily been established to recover the interest costs to the U.S. Treasury to finance the investment.

6. MAJOR CUSTOMERS

Revenues from one customer were approximately 14% of the total operating revenues for the year ended September 30, 2003. There was \$414,075 in accounts receivable from this customer as of September 30, 2003.

7. WORKERS' COMPENSATION

Workers' compensation consists of two elements: (1) the actuarial liability associated with workers' compensation cases incurred for which additional claims may still be made in the future ("future claims") and (2) a liability for expenses associated with actual claims incurred and paid by the U.S. Department of Labor ("DOL"), the program administrator, to whom Southeastern must reimburse. In conjunction with the adoption of SFFAS No. 4, *Management Cost Accounting Concepts and Standards for the Federal Government*, and SFFAS No. 5, the DOL, the DOE, and the DOD determined the Program's actuarial liability associated with workers' compensation cases. The actuarial liability for future claims was determined using historical benefit payment patterns and U.S. Treasury discount rates.

The recovery of these future claims will be deferred for purposes of the rate-making process until such time the future claims are actually submitted and paid by the DOL. Therefore, the recognition of the expense associated with this actuarially determined liability has been recorded as deferred workers' compensation in the combined power system statement of assets, federal investment, and liabilities in accordance with SFAS No. 71 to reflect the effects of the rate-making process. The Program's cumulative unpaid expenses associated with estimated future claims are approximately \$9,362,000 as of September 30, 2003.

8. COMMITMENTS AND CONTINGENCIES

Southeastern and the Corps of Engineers are presently parties to certain claims and legal actions arising in the ordinary course of Program activities. However, in the opinion of management, such

claims and actions will not have a material adverse impact on the Program's financial position, results of operations, or cash flows.

The suit filed by the South Carolina Department of Wildlife and Marine Resources and other parties against the Secretary of the Army, in connection with the operation of the four reversible pump turbines at the Richard B. Russell Dam, was resolved in favor of the Secretary of the Army during the fiscal year ended September 30, 2002. As a result of updated estimates, it was determined, in 2002, that the original power purpose allocation percentage of 99.4% for joint construction costs for the Richard B. Russell Dam project should be reduced to approximately 72.1%, and the Program's 2002 combined financial statements were adjusted accordingly. Program management continues to believe that once the final allocation percentage is determined and approved, it is probable that the Richard B. Russell power purpose allocation for joint construction costs will be approximately 72.1%. As a result, certain balances including congressional appropriations, accumulated interest on federal investment, joint operating and maintenance costs, depreciation, interest expense, and interest on federal investment are subject to revision pending completion of the final authorized joint cost allocation for the Richard B. Russell Dam project.

In addition, during 2002, Program management determined that it was not probable that interest capitalized during construction from 1993 through 2002 related to the Richard B. Russell Dam project would be recovered through future rates. As a result, at September 30, 2002, \$335 million in capitalized interest was written off to accumulated interest on federal investment.

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SUPPLEMENTARY INFORMATION

SOUTHEASTERN FEDERAL POWER PROGRAM
GEORGIA-ALABAMA-SOUTH CAROLINA SYSTEM

SUPPLEMENTAL ASSETS, FEDERAL INVESTMENT, AND LIABILITIES INFORMATION
YEAR ENDED SEPTEMBER 30, 2003
(In thousands)

ASSETS:

UTILITY PLANT:

Plant in service	\$ 1,423,109
Less accumulated depreciation	<u>(354,165)</u>
Plant in service—net	1,068,944
Construction work in progress	<u>104,186</u>
Net utility plant	<u>1,173,130</u>

CURRENT ASSETS:

Cash/unexpended appropriations	16,677
Accounts receivable	10,803
Other	<u>4,999</u>
Total current assets	<u>32,479</u>

DEFERRED WORKERS' COMPENSATION	<u>3,665</u>
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Total assets	<u>\$ 1,209,274</u>
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FEDERAL INVESTMENT AND LIABILITIES:

FEDERAL INVESTMENT:

Congressional appropriations	\$ 2,217,388
U.S. Treasury transfers to continuing fund	30,289
Transfers from other federal agencies	23,936
Accumulated interest on federal investment	1,082,954
Funds returned to U.S. Treasury	<u>(2,099,447)</u>
Investment of U.S. government	1,255,120
Accumulated net deficit	<u>(63,049)</u>
Total federal investment	<u>1,192,071</u>

CURRENT LIABILITIES:

Accounts payable	13,339
Accrued liabilities	<u>199</u>
Total current liabilities	<u>13,538</u>

ACCRUED WORKERS' COMPENSATION	<u>3,665</u>
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Total federal investment and liabilities	<u>\$ 1,209,274</u>
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See accompanying independent auditors' report.

**SOUTHEASTERN FEDERAL POWER PROGRAM
GEORGIA-ALABAMA-SOUTH CAROLINA SYSTEM**

**SUPPLEMENTAL REVENUES, EXPENSES, AND ACCUMULATED DEFICIT INFORMATION
YEAR ENDED SEPTEMBER 30, 2003**

(In thousands)

OPERATING REVENUES:	
Sales of electric power	\$ 127,787
Other operating income	<u>7,718</u>
Total operating revenues	<u>135,505</u>
OPERATING EXPENSES:	
Operations	22,848
Maintenance	13,019
Transmission services charged by others	18,342
Purchased power	7,631
Pension expense	<u>1,782</u>
Total operating expenses—excluding depreciation	63,622
Depreciation	<u>14,891</u>
Total operating expenses	<u>78,513</u>
Net operating revenues	<u>56,992</u>
INTEREST EXPENSE:	
Interest on federal investment	58,739
Less interest charged to construction	<u>(4,816)</u>
Net interest expense	<u>53,923</u>
Net revenue	<u>3,069</u>
ACCUMULATED NET DEFICIT:	
Balance—beginning of year—as previously reported	(48,340)
Adjustment (Note 3)	<u>(17,778)</u>
Balance—beginning of year—as adjusted	<u>(66,118)</u>
Balance—end of year	<u>\$ (63,049)</u>

See accompanying independent auditors' report.

**SOUTHEASTERN FEDERAL POWER PROGRAM
GEORGIA-ALABAMA-SOUTH CAROLINA SYSTEM**

SUPPLEMENTAL CASH FLOWS INFORMATION

YEAR ENDED SEPTEMBER 30, 2003

(In thousands)

CASH FLOWS FROM OPERATING ACTIVITIES:

Net revenue	\$ 3,069
Adjustments to reconcile net deficit to net cash provided by operating activities:	
Depreciation	14,891
Net interest on federal investment	53,923
(Increase) decrease in assets:	
Accounts receivable	201
Other assets	(1)
Deferred workers' compensation	(3,665)
(Decrease) increase in liabilities:	
Accounts payable	(8,389)
Accrued liabilities	(8)
Accrued workers' compensation	<u>3,665</u>
Net cash provided by operating activities	<u>63,686</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Cash used in investing activities—investment in utility plant	<u>(49,943)</u>
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CASH FLOWS FROM FINANCING ACTIVITIES:

Congressional appropriations	82,173
U.S. Treasury transfers to continuing fund	-
Transfers from other federal agencies	1,630
Funds returned to U.S. Treasury	<u>(106,401)</u>
Net cash used in financing activities	<u>(22,598)</u>

NET DECREASE IN CASH (8,855)

CASH—Beginning of year 25,532

CASH—End of year \$ 16,677

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING
AND FINANCING ACTIVITIES:

Interest charged to construction	<u>\$ 4,816</u>
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See accompanying independent auditors' report.

**SOUTHEASTERN FEDERAL POWER PROGRAM
JIM WOODRUFF SYSTEM**

**SUPPLEMENTAL ASSETS, FEDERAL INVESTMENT, AND LIABILITIES INFORMATION
YEAR ENDED SEPTEMBER 30, 2003
(In thousands)**

ASSETS:

UTILITY PLANT:

Plant in service	\$ 59,411
Less accumulated depreciation	(13,732)
Plant in service—net	45,679
Construction work in progress	901
Net utility plant	46,580

CURRENT ASSETS:

Cash/unexpended appropriations	436
Accounts receivable	613
Other	87
Total current assets	1,136

DEFERRED WORKERS' COMPENSATION	356
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Total assets	\$ 48,072
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FEDERAL INVESTMENT AND LIABILITIES:

FEDERAL INVESTMENT:

Congressional appropriations	\$ 128,066
U.S. Treasury transfers to continuing fund	2,921
Transfers from other federal agencies	2,797
Accumulated interest on federal investment	26,272
Funds returned to U.S. Treasury	(119,167)
Investment of U.S. government	40,889
Accumulated net revenues	6,019
Total federal investment	46,908

CURRENT LIABILITIES:

Accounts payable	801
Accrued liabilities	7
Total current liabilities	808

ACCRUED WORKERS' COMPENSATION	356
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Total federal investment and liabilities	\$ 48,072
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See accompanying independent auditors' report.

**SOUTHEASTERN FEDERAL POWER PROGRAM
JIM WOODRUFF SYSTEM**

**SUPPLEMENTAL REVENUES, EXPENSES, AND ACCUMULATED NET REVENUES
INFORMATION**

YEAR ENDED SEPTEMBER 30, 2003

(In thousands)

OPERATING REVENUES:	
Sales of electric power	\$ 6,265
Other operating income	68
Total operating revenues	<u>6,333</u>
OPERATING EXPENSES:	
Operations	1,461
Maintenance	1,060
Transmission services charged by others	264
Purchased power	974
Pension expense	<u>138</u>
Total operating expenses—excluding depreciation	3,897
Depreciation	<u>1,072</u>
Total operating expenses	<u>4,969</u>
Net operating revenue	<u>1,364</u>
INTEREST EXPENSE:	
Interest on federal investment	2,180
Less interest charged to construction	<u>(40)</u>
Net interest expense	<u>2,140</u>
Net deficit	(776)
ACCUMULATED NET REVENUES:	
Balance—beginning of year—as previously reported	6,849
Adjustment (Note 3)	<u>(54)</u>
Balance—beginning of year—as adjusted	<u>6,795</u>
Balance—end of year	<u>\$ 6,019</u>

See accompanying independent auditors' report.

**SOUTHEASTERN FEDERAL POWER PROGRAM
JIM WOODRUFF SYSTEM**

**SUPPLEMENTAL CASH FLOWS INFORMATION
YEAR ENDED SEPTEMBER 30, 2003
(In thousands)**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net deficit	\$ (776)
Adjustments to reconcile net deficit to net cash provided by operating activities:	
Depreciation	1,072
Net interest on federal investment	2,140
(Increase) decrease in assets:	
Accounts receivable	(48)
Other assets	
Deferred workers' compensation	(356)
(Decrease) increase in liabilities:	
Accounts payable	(162)
Accrued workers' compensation	356
Net cash provided by operating activities	<u>2,226</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Cash used in investing activities—investment in utility plant	<u>(434)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Congressional appropriations	2,451
U.S. Treasury transfers to continuing fund	
Transfers from other Federal agencies	47
Funds returned to U.S. Treasury	<u>(4,991)</u>
Net cash used in financing activities	<u>(2,493)</u>
NET DECREASE IN CASH	(701)
CASH—Beginning of year	<u>1,137</u>
CASH—End of year	<u><u>\$ 436</u></u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:	
Interest charged to construction	<u><u>\$ 40</u></u>

See accompanying independent auditors' report.

SOUTHEASTERN FEDERAL POWER PROGRAM CUMBERLAND BASIN SYSTEM

SUPPLEMENTAL ASSETS, FEDERAL INVESTMENT, AND LIABILITIES INFORMATION YEAR ENDED SEPTEMBER 30, 2003 (In thousands)

ASSETS:

UTILITY PLANT:

Plant in service	\$ 379,617
Less accumulated depreciation	<u>(202,677)</u>
Plant in service—net	176,940
Construction work in progress	<u>3,102</u>
Net utility plant	<u>180,042</u>

CURRENT ASSETS:

Cash/unexpended appropriations	4,874
Accounts receivable	2,032
Other	<u>26</u>
Total current assets	<u>6,932</u>

DEFERRED WORKERS' COMPENSATION

4,588

Total assets

\$ 191,562

FEDERAL INVESTMENT AND LIABILITIES:

FEDERAL INVESTMENT:

Congressional appropriations	\$ 760,480
U.S. Treasury transfers to continuing fund	1,461
Transfers from other federal agencies	12,568
Accumulated interest on federal investment	268,899
Funds returned to U.S. Treasury	<u>(903,541)</u>
Investment of U.S. government	139,867
Accumulated net revenues	<u>45,748</u>
Total federal investment	<u>185,615</u>

CURRENT LIABILITIES:

Accounts payable	1,282
Accrued liabilities	<u>77</u>
Total current liabilities	<u>1,359</u>

ACCRUED WORKERS' COMPENSATION

4,588

Total federal investment and liabilities

\$ 191,562

See accompanying independent auditors' report.

**SOUTHEASTERN FEDERAL POWER PROGRAM
CUMBERLAND BASIN SYSTEM**

**SUPPLEMENTAL REVENUES, EXPENSES, AND ACCUMULATED NET REVENUES
INFORMATION**

YEAR ENDED SEPTEMBER 30, 2003

(In thousands)

OPERATING REVENUES:	
Sales of electric power	\$ 46,847
Other operating income	<u>7,993</u>
Total operating revenues	<u>54,840</u>
OPERATING EXPENSES:	
Operations	12,095
Maintenance	9,815
Transmission services charged by others	9,595
Purchased power	
Pension expense	<u>1,315</u>
Total operating expenses—excluding depreciation	32,820
Depreciation	<u>15,434</u>
Total operating expenses	<u>48,254</u>
Net operating revenue	<u>6,586</u>
INTEREST EXPENSE:	
Interest on federal investment	4,013
Less interest charged to construction	<u>(100)</u>
Net interest expense	<u>3,913</u>
Net revenue	<u>2,673</u>
ACCUMULATED NET REVENUES:	
Balance—beginning of year—as previously reported	86,048
Adjustment (Note 3)	<u>(42,973)</u>
Balance—beginning of year—as adjusted	<u>43,075</u>
Balance—end of year	<u>\$ 45,748</u>

See accompanying independent auditors' report.

SOUTHEASTERN FEDERAL POWER PROGRAM CUMBERLAND BASIN SYSTEM

SUPPLEMENTAL CASH FLOWS INFORMATION YEAR ENDED SEPTEMBER 30, 2003 (In thousands)

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net revenues	\$ 2,673
Adjustments to reconcile net revenue to net cash provided by operating activities:	
Depreciation	15,434
Net interest on federal investment	3,913
Decrease in assets:	
Accounts receivable	(434)
Deferred workers' compensation	(4,588)
(Decrease) increase in liabilities:	
Accounts payable	(63)
Accrued liabilities	(3)
Accrued workers' compensation	4,588
Net cash provided by operating activities	<u>21,520</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Cash provided by investing activities—investment in utility plant	<u>123</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Congressional appropriations	20,551
U.S. Treasury transfers to continuing fund	
Transfers from other federal agencies	1,208
Funds returned to U.S. Treasury	<u>(44,533)</u>
Net cash used in financing activities	<u>(22,774)</u>
NET DECREASE IN CASH	(1,131)
CASH—beginning of year	<u>6,005</u>
CASH—end of year	<u>\$ 4,874</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:	
Interest charged to construction	<u>\$ 100</u>

See accompanying independent auditors' report.

**SOUTHEASTERN FEDERAL POWER PROGRAM
KERR-PHILPOTT SYSTEM**

**SUPPLEMENTAL ASSETS, FEDERAL INVESTMENT, AND LIABILITIES INFORMATION
SEPTEMBER 30, 2003
(In thousands)**

ASSETS:

UTILITY PLANT:	
Plant in service	\$ 98,583
Less accumulated depreciation	<u>(51,825)</u>
Plant in service—net	46,758
Construction work in progress	<u>12,394</u>
Net utility plant	<u>59,152</u>
CURRENT ASSETS:	
Cash/unexpended appropriations	4,036
Accounts receivable	1,205
Other	<u>41</u>
Total current assets	<u>5,282</u>
DEFERRED WORKERS' COMPENSATION	<u>753</u>
Total assets	<u>\$ 65,187</u>

FEDERAL INVESTMENT AND LIABILITIES:

FEDERAL INVESTMENT:	
Congressional appropriations	\$ 307,963
U.S. Treasury transfers to continuing fund	2,974
Transfers from other federal agencies	2,338
Accumulated interest on federal investment	61,868
Funds returned to U.S. Treasury	<u>(351,412)</u>
Investment of U.S. government	23,731
Accumulated net revenues	<u>39,238</u>
Total federal investment	<u>62,969</u>
CURRENT LIABILITIES:	
Accounts payable	1,427
Accrued liabilities	<u>38</u>
Total current liabilities	<u>1,465</u>
ACCRUED WORKERS' COMPENSATION	<u>753</u>
Total federal investment and liabilities	<u>\$ 65,187</u>

See accompanying independent auditors' report.

**SOUTHEASTERN FEDERAL POWER PROGRAM
KERR-PHILPOTT SYSTEM**

**SUPPLEMENTAL REVENUES, EXPENSES, AND ACCUMULATED NET REVENUES
INFORMATION**

YEAR ENDED SEPTEMBER 30, 2003

(In thousands)

OPERATING REVENUES:	
Sales of electric power	\$ 15,780
Other operating income	<u>271</u>
Total operating revenues	<u>16,051</u>
OPERATING EXPENSES:	
Operations	5,641
Maintenance	1,342
Transmission services charged by others	4,419
Purchased power	29
Pension expense	<u>382</u>
Total operating expenses—excluding depreciation	11,813
Depreciation	<u>980</u>
Total operating expenses	<u>12,793</u>
Net operating revenue	<u>3,258</u>
Interest on federal investment	1,108
Less interest charged to construction	<u>(811)</u>
Net interest expense	<u>297</u>
Net revenue	<u>2,961</u>
ACCUMULATED NET REVENUES:	
Balance—beginning of year—as previously reported	36,301
Adjustment (Note 3)	<u>(24)</u>
Balance—beginning of year—as adjusted	<u>36,277</u>
Balance—end of year	<u>\$ 39,238</u>

See accompanying independent auditors' report.

**SOUTHEASTERN FEDERAL POWER PROGRAM
KERR-PHILPOTT SYSTEM**

**SUPPLEMENTAL CASH FLOWS INFORMATION
YEAR ENDED SEPTEMBER 30, 2003
(In thousands)**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net revenue	\$ 2,961
Adjustments to reconcile net revenue to net cash provided by operating activities:	
Depreciation	980
Net interest on federal investment	297
(Increase) decrease in current assets:	
Accounts receivable	(262)
Other assets	11
Deferred workers' compensation	(753)
(Decrease) increase in liabilities:	
Accounts payable	(1,343)
Accrued liabilities	(1)
Accrued workers' compensation	753
Net cash provided by operating activities	<u>2,643</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Cash used in investing activities—investment in utility plant	<u>(5,410)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Congressional appropriations	12,316
U.S. Treasury transfers to continuing fund	123
Transfers from other federal agencies	(11,329)
Funds returned to U.S. Treasury	<u>1,110</u>
Net cash provided by financing activities	<u>1,110</u>
NET DECREASE IN CASH	(1,657)
Cash—Beginning of year	<u>5,693</u>
Cash—End of year	<u><u>\$ 4,036</u></u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:	
Interest charged to construction	<u>\$ 811</u>

See accompanying independent auditors' report.

SOUTHEASTERN FEDERAL POWER PROGRAM

COMBINING ASSETS, FEDERAL INVESTMENT, AND LIABILITIES INFORMATION

SEPTEMBER 30, 2003

(In thousands)

	Corps of Engineers	Southeastern Power Administration	Total
ASSETS:			
UTILITY PLANT:			
Plant in service	\$ 1,959,346	\$ 1,374	\$ 1,960,720
Less accumulated depreciation	<u>(621,796)</u>	<u>(603)</u>	<u>(622,399)</u>
Plant in service—net	1,337,550	771	1,338,321
Construction work in progress	<u>120,583</u>	<u> </u>	<u>120,583</u>
Net utility plant	<u>1,458,133</u>	<u>771</u>	<u>1,458,904</u>
CURRENT ASSETS:			
Cash/unexpended appropriations	22,559	3,464	26,023
Accounts receivable	72	14,581	14,653
Other	<u>5,153</u>	<u> </u>	<u>5,153</u>
Total current assets	<u>27,784</u>	<u>18,045</u>	<u>45,829</u>
DEFERRED WORKERS' COMPENSATION	<u>9,362</u>	<u> </u>	<u>9,362</u>
Total assets	<u>\$ 1,495,279</u>	<u>\$ 18,816</u>	<u>\$ 1,514,095</u>
FEDERAL INVESTMENT AND LIABILITIES:			
FEDERAL INVESTMENT:			
Congressional appropriations	\$ 3,048,407	\$ 365,490	\$ 3,413,897
U.S. Treasury transfers to continuing fund		37,645	37,645
Transfers from other federal agencies	39,652	1,987	41,639
Accumulated interest on federal investment	1,439,279	714	1,439,993
Funds returned to U.S. Treasury	<u>(3,083,265)</u>	<u>(390,302)</u>	<u>(3,473,567)</u>
Investment of U.S. government	1,444,073	15,534	1,459,607
Accumulated net revenues	<u>27,956</u>	<u> </u>	<u>27,956</u>
Total federal investment	<u>1,472,029</u>	<u>15,534</u>	<u>1,487,563</u>
CURRENT LIABILITIES:			
Accounts payable	13,888	2,961	16,849
Accrued liabilities	<u> </u>	<u>321</u>	<u>321</u>
Total current liabilities	<u>13,888</u>	<u>3,282</u>	<u>17,170</u>
ACCRUED WORKERS' COMPENSATION	<u>9,362</u>	<u> </u>	<u>9,362</u>
COMMITMENTS AND CONTINGENCIES	<u> </u>	<u> </u>	<u> </u>

SOUTHEASTERN FEDERAL POWER PROGRAM

COMBINING REVENUES, EXPENSES, AND ACCUMULATED NET REVENUES INFORMATION YEAR ENDED SEPTEMBER 30, 2003 (In thousands)

	Corps of Engineers	Southeastern Power Administration	Total
OPERATING REVENUES:			
Sales of electric power	\$ 150,102	\$ 46,577	\$ 196,679
Other operating income	16,048	2	16,050
Total operating revenues	<u>166,150</u>	<u>46,579</u>	<u>212,729</u>
OPERATING EXPENSES:			
Operations	37,309	4,735	42,044
Maintenance	25,164	72	25,236
Transmission services charged by others		32,620	32,620
Purchased power		8,634	8,634
Pension expense	3,289	328	3,617
Total operating expenses—excluding depreciation	<u>65,762</u>	<u>46,389</u>	<u>112,151</u>
Depreciation	<u>32,234</u>	<u>143</u>	<u>32,377</u>
Total operating expenses	<u>97,996</u>	<u>46,532</u>	<u>144,528</u>
Net operating revenues	<u>68,154</u>	<u>47</u>	<u>68,201</u>
INTEREST EXPENSE:			
Interest on federal investment	65,993	47	66,040
Less interest charged to construction	<u>(5,767)</u>		<u>(5,767)</u>
Net interest expense	<u>60,226</u>	<u>47</u>	<u>60,273</u>
Net revenue	<u>7,928</u>	<u>-</u>	<u>7,928</u>
ACCUMULATED NET REVENUES:			
Balance—beginning of year—as previously reported	80,858		80,858
Adjustment (Note 3)	<u>(60,830)</u>		<u>(60,830)</u>
Balance—beginning of year—as adjusted	<u>20,028</u>	<u>-</u>	<u>20,028</u>
Balance—end of year	<u>\$ 27,956</u>	<u>\$ -</u>	<u>\$ 27,956</u>

See accompanying independent auditors' report.

SOUTHEASTERN FEDERAL POWER PROGRAM

COMBINING CASH FLOWS INFORMATION YEAR ENDED SEPTEMBER 30, 2003 (In thousands)

	Corps of Engineers	Southeastern Power Administration	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net revenues	\$ 7,928	\$ -	\$ 7,928
Adjustments to reconcile net revenues to net cash provided by operating activities			
Depreciation	32,234	143	32,377
Net interest on federal investment	60,226	47	60,273
(Increase) decrease in assets:			
Accounts receivable	1,545	(2,088)	(543)
Other assets	10		10
Deferred workers' compensation	(9,362)		(9,362)
(Decrease) increase in liabilities:			
Accounts payable	(6,659)	(3,298)	(9,957)
Accrued liabilities		(13)	(13)
Accrued workers' compensation	9,362		9,362
Net cash provided by (used in) operating activities	95,284	(5,209)	90,075
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash used in investing activities—investment in utility plant	(55,655)	(9)	(55,664)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Congressional appropriations	112,986	4,505	117,491
Transfers from other federal agencies	2,680	328	3,008
Funds returned to U.S. Treasury	(164,018)	(3,236)	(167,254)
Net cash (used in) provided by financing activities	(48,352)	1,597	(46,755)
NET DECREASE IN CASH	(8,723)	(3,621)	(12,344)
CASH—Beginning of year	31,282	7,085	38,367
CASH—End of year	\$ 22,559	\$ 3,464	\$ 26,023
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:			
Interest charged to construction	\$ 5,767	\$ -	\$ 5,767

See accompanying independent auditors' report.

Exhibit VI

SOUTHEASTERN FEDERAL POWER PROGRAM

AMOUNT AND ALLOCATION OF PLANT INVESTMENT SEPTEMBER 30, 2003

Projects in Service & Other	Total (Unaudited)	Allocated to (Unaudited)				Percent of Total Plant Investment Returnable From Power Revenues (Unaudited)
		Reimbursable	Flood Control	Nonreimbursable	Other	
		Power	Navigation	Fish & Wildlife	Recreation	
Allatona	\$58,882	\$40,142	\$	\$	\$9,330	\$232 (a)
Burford	88,188	68,158	2,018	-	13,448	-
Caners	154,488	130,746	-	-	10,213	-
J. Strom Thurmond	160,153	139,083	4,530	-	12,375	-
Walter F. George	214,098	127,183	77,525	348	9,042	-
Hartwell	179,119	159,919	3,583	-	11,085	-
Robert F. Henry	101,162	64,763	23,667	-	12,732	-
Millers Ferry	89,877	54,992	29,961	-	4,924	-
West Point	157,625	64,709	2,604	16,127	54,342	-
Richard B. Russell	747,986	676,754	-	-	66,685	-
Marketing facilities	852	852	-	-	-	-
Contributions in aid of construction	(6)	(6)	-	-	-	-
Total GA-ALA-SC System	1,952,224	1,527,295	143,888	16,475	204,176	232
Jim Woodruff	98,942	60,284	32,142	-	6,516	-
Marketing facilities	27	27	-	-	-	-
Total Jim Woodruff System	98,969	60,311	32,142	-	6,516	-
Barkey	196,925	49,663	115,433	-	8,992	-
J. Percy Priest	67,831	11,673	-	-	30,426	-
Cheatham	52,253	21,561	25,946	-	4,746	-
Cordell Hull	90,654	42,544	17,517	-	24,187	6,406 (c)
Old Hickory	70,404	39,642	25,242	-	5,520	-
Center Hill	80,539	39,161	-	-	11,472	697 (b)
Dale Hollow	35,513	20,371	-	-	4,130	-
Wolf Creek	219,719	129,724	-	-	7,653	-
Laurel	51,757	27,862	-	-	17,557	246 (b)
Stonewall Jackson	211,073	773	-	-	174,453	6,338 (c)
Marketing facilities	330	330	-	-	-	-
Contributions in aid of construction	(585)	(585)	-	-	-	-
Total Cumberland Basin System	1,076,413	382,719	184,138	-	289,136	13,687
John H. Kerr	135,419	102,052	-	-	8,299	362 (a)
Philpott	20,620	8,760	-	-	3,798	-
Marketing facilities	165	165	-	-	-	-
Total Kerr-Philpott System	156,204	110,977	-	-	12,097	362
Total	\$3,283,810	\$2,081,302	\$360,168	\$16,475	\$511,925	\$14,281

(a) Water Supply

(b) World War II Suspension Costs

(c) Area Redevelopment

notes



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